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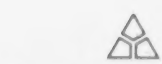
Executive Compensation

By James A. Giardina and Thomas S. Tilghman
Sponsored by the Financial Executives Institute

The Fourteenth Edition



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Foreword

This report presents the findings of the 1986 study of executive compensation conducted by Arthur Young under the sponsorship of the Financial Executives Institute. This is the Fourteenth Edition of *Executive Compensation*.

This issue is based on data collected from approximately 1,000 companies, including salary and bonus information for an estimated 900 chief executive officers (CEOs), almost 5,900 top executives, and almost 3,300 senior financial managers. In all, 22 executive positions were studied in 24 specific industries. These positions and industries are described in Appendices I and II. Company data are presented in one section this year, a change from previous segmentation into "Parent" and "Subsidiary" sections. With the recent flurry of mergers and acquisitions, as well as fewer subsidiary participants, we have combined the data into one overall grouping.

In comparing the study findings to compensation levels in their own companies, readers should keep in mind that there may be significant differences between positions bearing the same title — differences in responsibility, authority, seniority, and other compensable factors. It should also be noted that certain statistical biases may be present in the data, since random sampling techniques were not used; nevertheless, the data can be useful to indicate competitive compensation levels.

Arthur Young, the authors and the Financial Executives Institute express their appreciation to the companies that provided the data on which this report is based. In addition, the authors gratefully acknowledge the assistance of Richard V. Nenna and Susan K. Shaw in the overall management of the project, and Patricia C. Huie, Daniel T. Hickey, Richard C. Moses, Philip M. Stein and Deborah B. Rubin in the preparation of the data for analysis.

The authors would also like to extend special thanks to Robert W. Moore, President of the Financial Executives Institute, and to the FEI, for this group's support and assistance.

Introduction

Scope and Method of Study

The information for this study was accumulated by questionnaire. Participation was solicited from past survey participants, as well as other companies, in a wide range of industries. In total, approximately 1,000 companies responded, providing compensation information for more than 10,000 executives in 22 positions. Each response was reviewed for completeness and consistency to ensure accurate processing and appropriate use of information.

Participants were asked to provide base salary data for each executive for the calendar years 1984, 1985, and 1986, and bonus data for 1984 and 1985. Base salary data reported for 1984 and 1985 reflect levels in effect at December 31 of each year. *Salary data for 1986 reflect annualized salaries as of April 1986.* Bonus amounts submitted for the years 1984 and 1985 represent amounts earned in those years, regardless of whether those amounts were deferred wholly or in part.

Data are reported for the top executive and senior financial management positions in the industry group tables. The industry tables present data for the top executive positions only. If sufficient data were not available for a given executive position, that table was omitted from this report.

Wherever the term *total compensation* is used in this book, it refers to the sum of an executive's annual base salary plus bonus. *Bonus* refers to an annual cash payment that is based on individual and/or corporate performance for the prior fiscal year. Bonuses reflect amounts actually earned in a given year, whether or not these amounts are deferred in whole or in part.

The term *bonus-eligible* refers to an executive's participation in a formal or informal bonus program through which annual cash awards may be earned. An executive was considered to be from a *bonus-paying company* if "bonus-eligible" was checked off on the survey questionnaire, even if no bonus was paid for 1984 and/or 1985. The determination of bonus/nonbonus status was made for each executive individually.

The term *percentage bonus-eligible* refers to the percentage of executives eligible to receive a bonus for 1985 performance, regardless of whether a bonus was actually paid. The term *percentage of bonus-paying companies* refers to the percentage of companies stating that a particular executive was eligible to receive a bonus payment for 1985, regardless of whether a bonus was actually paid.

Percentage increase in compensation was calculated based on data reported for executives in either bonus or nonbonus companies as described above. However, since there were executives who received bonuses for 1985, who did not receive bonuses for 1984, the *percentage change in bonus*

payments was calculated only for those executives receiving a bonus for both years, 1984 and 1985. This was done in order to avoid distorting the overall change.

The term *all companies* refers to compensation data reported for executives in both bonus and nonbonus companies as described above.

In the actual data tables we have eliminated the *nonbonus company* column shown in previous studies and replaced it with an *all company* column. This change was made because of the preponderance of bonus-paying companies participating in the survey. The nonbonus company data were included in the *all company* column.

Executive Positions

For the purpose of the study, executive positions were divided into three categories, as follows:

Chief Executive Officer

Top Executive Group

Chief Operating Officer
Top Financial Officer
Top Marketing Executive
Top Sales Executive
Top Manufacturing Executive
Top Human Resources Executive
Top Strategic Planning Executive
Top Legal Executive
Top International Executive
Controller
Treasurer
Top Administrative Executive
Top Engineering Executive

Senior Financial Management Group

Top Tax Executive
Top General Accounting Executive
Top Systems and Data Processing Executive
Top Budget Executive
Top Internal Audit Executive
Top Credit and Collection Executive
Corporate Risk Management Executive
Cash Management Executive

Descriptions of these positions can be found in Appendix I.

Industry Classifications

Data were submitted by companies in a wide range of industries. These industries were grouped according to four major types, which were then subdivided into 24 specific industries, as follows:

Manufacturing Group — Durable Goods

Basic Materials
Computers and Related Office Equipment
Electrical and Electronic Equipment/ Instruments
Machinery
Metals Processing and Fabricating

Manufacturing Group — Nondurable Goods

Chemicals
Food Products and Tobacco
Nondurable Consumer Goods
Paper Products
Petroleum
Publishing

Nonmanufacturing Group

Business and Professional Services
Communications
Construction and Contracting
Mining and Energy Extraction
Retail Sales
Transportation
Utilities
Wholesale Trade

Financial Services Group

Banking (Commercial)
Banking (Thrift Institutions)
Diversified Financial Services
Insurance (Life)
Insurance (Property and Casualty)

Descriptions of each industry, with its Standard Industrial Classification Code and an explanation of the coding system, can be found in Appendix II.

Regional Classifications

In addition to the analysis by industry, data were analyzed by geographic region. The regional data were divided into five generally recognized categorizations. Each participating company was assigned to one of the five following regions.

Northeast
Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont.

Southeast
Alabama, District of Columbia, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia.

North Central
Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin, Wyoming.

South Central
Arizona, Arkansas, Colorado, Louisiana, New Mexico, Oklahoma, Texas, Utah.

West
Alaska, California, Hawaii, Idaho, Nevada, Oregon, Washington.

Survey Findings

Overview

This year, data were analyzed for more than 10,000 executives representing approximately 1,000 companies. Throughout the report, data are presented on the basis of industry, organization size, and region. In addition, much of the analysis compares compensation in bonus-paying companies to compensation in all companies combined, including both bonus-paying and nonbonus-paying companies. In this year's report, 83% of the executives were classified as bonus-eligible.

Increases in General

The average 1985 increase in total cash compensation for the executives included in this year's study was 9%, a sizeable decrease as compared to the 11% average increase reported a year ago for the 1984 calendar year. As we report on the second consecutive year of stabilized economic conditions, the downward trend in compensation increases is expected. With inflation at its lowest level since the late 1970s, executives are enjoying a substantial increase in real income levels, even with the single digit pay increases reported this year. Companies are continually evaluating their compensation increases vis-a-vis the marketplace and this year, on average, they granted the lowest increases since our survey report in 1982.

Salaries

Base salary increases for 1985 were slightly lower than increases reported last year. Among nonbonus companies, average 1985 base salaries paid to executives rose 8%, down slightly from the 9% average increase reported in the prior year. Salaries in bonus-paying companies increased 9%, the same increase as reported for 1984. Average first quarter 1986 increases in base salaries (where such increases were granted) were 10% and 9% in bonus- and nonbonus-paying companies, respectively. We believe it is unlikely that increases for the full year will continue at that level.

Bonuses

Bonus increases were sizeable again this year, although not as large as reported in the prior two studies. Bonus payments to all executives receiving bonuses for 1985 performance increased by an average of 20% over those they had received for 1984, smaller than the 33% increase last year, but still substantial. On the other hand, 21% of the executives eligible for bonus payments were not paid bonuses for 1985, nearly comparable to the 22% reported in 1984. The smaller increases this year can be attributed to sagging economic performance in certain regional and industrial areas, such as in the petroleum and related industries, as well as many of the high-technology companies. The ratio of bonus as a percentage of base salary (calculated only for executives who actually received a bonus award) decreased from 32% reported last year to 30% in 1985.

While on an overall basis bonuses increased 20%, the results varied widely on an individual industry basis. It appears that industry performance had a strong effect not only on the percentage of increase but also on the percentage of bonus-eligible executives who were not paid bonuses. For example, by industry, bonuses ranged from a decrease of 3% (mining and energy extraction) to an increase of 71% (thrift institutions), and the percentage of bonus-eligible executives not paid a bonus for 1985 varied from 8% (publishing) to 30% (construction and contracting).

Executives working for bonus-paying companies continued to average significantly higher compensation than executives working for nonbonus companies.

Compared to nonbonus-paying companies, bonus-paying companies reported 45% higher base salaries and 89% higher total compensation in 1985. In 1984, company base salaries were 42% higher in bonus companies, while total compensation was 88% higher.

As reported earlier, average percentage increases in total compensation paid in bonus companies were greater than those in nonbonus companies. Total compensation paid by bonus-paying companies increased by 9%, while total compensation paid by nonbonus companies increased 8%.

Table 1 summarizes 1985 increases paid by companies to the CEO and top executive group, the senior financial management group, and all executives combined.

Table 1

All Executives:

Average percentage increase in compensation *(1984–1985)*

	CEO and Top Executives	Senior Financial Management	All Executives
ANALYSIS OF BONUS AND ALL COMPANIES			
Bonus Companies (Total Compensation)	9%	8%	9%
Base Salary	9	8	9
Bonus	21	19	20
All Companies	9	8	9
INDUSTRY GROUP ANALYSIS			
Manufacturing—Durable Goods	–	6	–
Manufacturing—Nondurable Goods	–	6	–
Nonmanufacturing	10	8	9
Financial Services	14	11	13
REGIONAL ANALYSIS			
Northeast	10	8	9
Southeast	9	–	9
North Central	10	–	9
South Central	8	8	8
West	–	–	–

Compensation of Chief Executive Officers and Top Executives

The average 1985 increase in total compensation for CEOs and top executives was 9% overall, but there was wide variation among the four industry groups. The lowest reported average increases were in the durable and nondurable goods manufacturing industry groups, 7%. The nonmanufacturing group reported an increase of 10%, and the highest increase, 14%, was reported by the financial services industry group.

Base salaries paid to CEOs and top executives of bonus-paying companies increased 9%, and bonuses, where paid, increased 21%. This equates to a total compensation increase of 9%. The seemingly reduced impact of bonus increases on total compensation increases is caused by the large percentage of executives eligible for bonuses who did not receive bonuses for the past two consecutive years, presumably because of the performance conditions in their companies.

Eighty-seven percent of the CEOs and top executives for whom data were reported were eligible to receive bonus payments. Bonus eligibility was most frequently reported in durable goods manufacturing companies — 94% of these executives were eligible for bonuses, compared to 93% of the executives in nondurable goods manufacturing companies, 81% of the executives in financial services companies, and 80% of the executives in nonmanufacturing companies. Although eligible, many CEOs and top executives did not receive bonuses for 1985. In durable goods manufacturing companies, 25% of the CEOs and top executives eligible for bonus payments were not paid bonuses for 1985. The same was true for 21% of the CEOs and top executives in nonmanufacturing companies, for 18% of the CEOs and top executives in financial services companies, and for 16% of the CEOs and top executives in nondurable goods manufacturing companies.

Total compensation paid to the chief executive officer and top executive group tended to be highest in nondurable goods manufacturing companies, averaging $191,000, and lowest in financial services companies, averaging $150,500.

A comparison of compensation paid to CEOs and top executives of bonus-paying companies to that of executives in nonbonus-paying companies showed that base salaries paid by bonus companies were 26% higher than those paid by nonbonus companies, while total compensation in bonus companies was 67% higher than it was in nonbonus companies.

Increases in total compensation for CEOs and top executives varied not only by industry group, but by position within industry group. For example, as a group, financial services executives received the highest overall average increase in total compensation, 14%. However, average increases by position varied from 10% (received by the top sales executive) to 17% (received by the top administrative executive). The lowest average increase, 7%, was granted by both manufacturing industry groups. For durable goods manufacturers, average increases by position varied from 3% (received by the top strategic planning executive) to 13% (received by the top engineering executive), and for nondurable goods manufacturers, increases ranged from 6% (received by the chief operating

officer, treasurer, and top legal and international executive) to 10% (received by the top marketing executive and the top administrative executive).

The variation in average increases in total compensation by industry group tended, in many instances, to magnify differences in increases received by a single position across industries. For example, while chief operating officers in financial services companies averaged a 16% increase, the same position in both durable and nondurable goods manufacturing companies received an average increase of 6%.

Because executive compensation is generally higher in larger companies, regions with the largest average company size usually report the highest average total compensation levels. Companies in the Northeast, the region with the largest concentration of survey companies with sales or assets greater than $1 billion, reported the highest average total compensation levels for the CEO and top executives, followed by the North Central, the region with the next highest concentration of companies with sales or assets greater than $1 billion. The South Central region, which had the lowest concentration of over-$1 billion companies, reported the lowest average total compensation levels. When companies of the same size are compared across regions, however, compensation differences are less pronounced.

In 1985, the highest rates of increase in total compensation for the CEO and top executive group were reported by the Northeast and North Central regions (10%). The lowest average increase in 1985 total compensation was reported in the Western region (7%).

Compensation of Senior Financial Management Executives

An analysis of the data reported for senior financial management executives indicated that their total compensation increased by an average of 8% in 1985, compared to 9% in 1984. Financial services companies reported the highest average increase, 11%. The nonmanufacturing group reported an average increase of 8%, while the manufacturing companies, both durable and nondurable goods, reported the lowest average increase, 6%.

Total compensation paid to senior financial management executives in bonus-paying companies increased 8%, reflecting an 8% increase in base salaries, and a 19% increase in bonuses, where paid. Compensation in nonbonus companies increased 7%.

Seventy-three percent of senior financial management executives were eligible for bonus payments. Bonus-eligibility for these executives was more prevalent in manufacturing companies than in nonmanufacturing and financial services companies. Eighty-two percent of senior financial management executives in nondurable goods manufacturing companies were bonus-eligible, as were 81% of their counterparts in durable goods manufacturing companies. Further, only 70% of senior financial management executives in financial services companies and 60% of senior financial management executives in nonmanufacturing companies were bonus-eligible. However, 1985 bonuses were not paid to 27% of the bonus-eligible senior financial management executives in durable goods manufacturing companies, or to 20% in both nondurable goods manufacturing companies and financial services companies, or to 18% in nonmanufacturing companies.

This year's data also showed that base salaries paid to senior financial management executives in bonus-paying companies were 28% higher, and total compensation was 51% higher, than in nonbonus companies.

As reported for the CEO and top executive group, average increases in total compensation for senior financial management executives varied by position within each industry group. In both the durable and nondurable goods manufacturing groups, which received the lowest overall average increase in total compensation, average increases by position ranged from 3% (received by the top internal audit executive), to 8% (received by the top tax executive, top budget executive, and cash management executive). In the financial services group, which received the highest overall average increase, average increases by position ranged from 7% (received by the corporate risk management and cash management executives), to 13% (received by the top systems and data processing executive).

Increases in total compensation for a single position also varied across industry groups. For example, increases for top internal audit executives in financial services companies averaged 12%, while increases for the same position in durable goods manufacturing companies averaged 3%.

From a regional standpoint, senior financial executives in companies in the Northeast tended to receive the highest average total compensation, followed by those in the Western region. Senior financial executives in the Southeast region were generally the lowest paid.

The largest average increase in total compensation for senior financial executives, 8%, was paid by companies in both the Northeast and South Central regions, while a lesser average increase of 7% was paid by companies in the Southeast, North Central, and Western regions.

Chief Executive Officer Compensation

Compensation data were analyzed for approximately 900 chief executives. Their total compensation rose 10% in 1985, the third consecutive year of double digit increases for the CEO group. While lower than the 14% average increase last year, this is a strong increase considering the rate of inflation in 1985.

Continuing the trend reported in previous studies, both base salary and total compensation paid to the CEO were higher in bonus-paying companies than in nonbonus companies. Eighty-seven percent of the CEOs participating in the study were eligible for bonus payments. On average, 1985 base salaries were 25% higher in bonus companies than in nonbonus companies; total compensation was 77% higher in bonus companies. In 1984, total compensation paid to chief executives in bonus companies was 72% higher than in nonbonus companies.

Total compensation paid to the CEOs of bonus companies increased 10% during 1985, as compared to the average increase of 9% reported by nonbonus companies, both increases considerably lower than those increases reported in last year's study. Base salaries paid to CEOs in bonus and nonbonus companies increased by an average of 9% in 1985. CEO bonuses, where paid, increased 17%, smaller than the 33% reported last year, but still substantial considering the rate of inflation in 1985. Twenty-three percent of the CEOs in bonus-paying companies did not receive bonuses for 1985 performance, slightly higher than the 22% reported for 1984.

The ratio of bonus payments to base salary was slightly lower in 1985 than in 1984. Bonuses, where paid, averaged approximately 40% of base salary in small companies, and tended to increase with company size to an average of approximately 61% in large companies. Overall, the bonus/base salary ratio for CEOs was 49% in 1985, slightly lower than the 51% reported in 1984.

Comparisons by Industry Group

As reported earlier, 87% of the CEOs participating in the study were bonus-eligible. This figure varied by industry group, with CEO bonus-eligibility more prevalent in manufacturing companies than in nonmanufacturing and financial services companies. Ninety-five percent of the CEOs of durable goods manufacturers were eligible for bonus payments, as were 91% of nondurable goods manufacturing company CEOs, 81% of the nonmanufacturing company CEOs, and 80% of the financial services company CEOs.

Among bonus-paying companies, nondurable goods manufacturers paid the highest average total compensation to their CEOs. Average total compensation for these CEOs was 15% higher than that of CEOs in bonus-paying nonmanufacturing companies, 21% higher than in bonus-paying financial services companies, and 33% greater than in bonus-paying durable goods manufacturing companies.

Nonbonus companies reported somewhat more variation by industry group in average total compensation of chief executives than did bonus-paying companies. On average, CEOs in nonbonus nondurable goods manufacturing companies were paid the highest amount, 35% above the average paid to CEOs in nonbonus durable goods manufacturing companies and 12% above the average paid to CEOs in nonbonus nonmanufacturing companies. CEOs in nonbonus financial services companies were paid the lowest amount. CEOs in nonbonus nondurable goods manufacturers were paid, on average, 50% more than CEOs in nonbonus financial services companies.

CEOs from bonus-paying financial services companies received the largest average increase in total compensation — 16% above 1984 levels. Total compensation paid to CEOs increased 11% in bonus-paying nonmanufacturing companies, 7% in bonus-paying nondurable goods manufacturing companies, and 6% in bonus-paying durable goods manufacturing companies. All of these average increases in total compensation reported for CEOs in bonus-paying companies for 1985 were lower than those reported for the prior year, with the exception of the financial services group.

Among nonbonus companies, average 1985 increases in total CEO compensation were 12% in both durable goods manufacturing companies and financial services companies, 7% in nonmanufacturing companies, and 5% in nondurable goods manufacturing companies. These increases are not as large as those granted last year.

As a percentage of base salary, 1985 bonuses, where paid, were highest in nondurable goods manufacturing companies (57%). Bonuses were a lower percentage of base salary in nonmanufacturing companies (50%), durable goods manufacturing companies (48%), and financial services companies (41%).

In 1985, there were more moderate increases in bonus payments for all four industry groups than for 1984. CEO bonuses, where paid, increased an average of 11% in the nondurable goods manufacturing industry group, 12% in the durable goods manufacturing group, 18% in the nonmanufacturing industry group, and 29% in the financial services industry group. By comparison, last year's bonuses to CEOs increased 20% in the nondurable goods manufacturing companies, 46% in the durable goods manufacturing companies, 28% in nonmanufacturing companies, and 34% in financial services companies. Many bonus-eligible CEOs did not receive bonuses in 1985. Bonuses were not paid for 1985 performance to 27% of the CEOs in bonus-paying durable goods manufacturing companies, to 26% of the CEOs in bonus-paying nonmanufacturing companies, to 19% of the CEOs in financial services companies, and to 17% of the CEOs in nondurable goods manufacturing companies.

Comparisons by Industry

Table 2 ranks average total compensation for CEOs in the 24 specific industries studied. In the table, industries are listed in descending order, according to 1985 total compensation. In addition, there is an index figure for each industry. The indices were calculated by dividing the average total CEO compensation in each industry by the average total compensation of all the chief executives in the study. Thus, indices above 1.00 show that CEO total compensation in a particular industry is above average, while indices below 1.00 show that CEO total compensation in an industry falls below average.

Two factors have a major influence on the indices of chief executive compensation in an industry. First, companies with larger sales volumes or greater total assets tend to pay higher levels of salaries and bonuses to their executives. Therefore, certain industries such as petroleum, which by the nature of the business consist of very large companies, tend to pay larger amounts. Second, CEO total compensation tends to be higher in industries with a high concentration of bonus-paying companies.

The index method of comparison presented in Table 2, therefore, should not be construed as a measure of absolute differences among industries, and should not form the sole basis for evaluating the compensation levels in an industry. However, despite their limitations, the indices represent a consistent form of measurement within the study population and are useful for comparing average compensation levels for chief executives in the industries studied.

The petroleum industry reported the highest average total compensation for CEOs — 75% above the average. Property and casualty insurance was ranked second, with CEO compensation levels 51% above average.

The highest rate of increase in total compensation for chief executives was the 20% increase reported by the thrift institutions. Several other industries also reported average increases in CEO total compensation of 15% and over: the property and casualty insurance industry reported an average 16% increase, and both the business and professional services and the construction and contracting categories reported an average increase of 15%. The lowest average increases in CEO total compensation were in electrical and electronic equipment/instruments, which reported an average increase of 3%, and nondurable consumer goods, and transportation, each of which reported 4% increases.

Table 2

Chief Executive Officer:

Comparison of average 1985 total compensation

	RANK	INDEX
		(All CEO's = 100)
Petroleum	1	175
Insurance (Property and Casualty)	2	151
Publishing	3	138
Chemicals	4	126
Transportation	5	122
Diversified Financial Services	6	116
Communications	7	116
Food Products and Tobacco	8	113
Paper Products	9	113
Retail Sales	10	112
Computers and Related Office Equipment	11	105
Nondurable Consumer Goods	12	102
Mining and Energy Extraction	13	101
Insurance (Life)	14	99
Utilities	15	97
Electrical and Electronic Equipment Instruments	16	93
Business and Professional Services	17	92
Machinery	18	88
Basic Materials	19	88
Metals Processing and Fabricating	20	87
Banking (Commercial)	21	86
Wholesale Trade	22	85
Construction and Contracting	23	68
Banking (Thrift Institutions)	24	62

Table 3 displays rates of increase in CEO total compensation for bonus companies and for all companies combined in each of the 24 specific industries studied.

There were substantial increases in bonus payments made to CEOs in several industries. The highest average increase (65%) was paid to CEOs in the computers and related office equipment industry. However, 40% of those eligible did not actually receive bonuses. Increases of 49% were paid in the property and casualty insurance industry and 47% in the thrift institutions category. Two industries, nondurable consumer goods and paper products manufacturers, reported virtually no bonus increases.

In general, while bonus increases were not as substantial as those reported for 1984, the percentage of bonus-eligible CEOs in most industries, who were not paid 1985 bonuses, was smaller than reported last year. Forty-seven percent of the CEOs in bonus-paying construction and contracting companies were not paid bonuses for 1985, 40% of the CEOs in bonus-paying computers and related office equipment manufacturers likewise were not paid bonuses for 1985, as well as over 30% of the CEOs in bonus-paying companies in machinery manufacturing and mining and energy extraction.

Table 3

Chief Executive Officer:
Average percentage increase in total compensation by industry *(1984-1985)*

	Bonus Companies	All Companies
MANUFACTURING GROUP		
Durable Goods		
Basic Materials	6%	6%
Computers and Related Office Equipment	10	8
Electrical and Electronic Equipment/Instruments	2	3
Machinery	–	–
Metals Processing and Fabricating	12	12
Nondurable Goods		
Chemicals	9	9
Food Products and Tobacco	–	6
Nondurable Consumer Goods	4	4
Paper Products	9	9
Petroleum	11	11
Publishing	9	9
NONMANUFACTURING GROUP		
Business and Professional Services	17	15
Communications	–	8
Construction and Contracting	15	15
Mining and Energy Extraction	9	8
Retail Sales	8	8
Transportation	3	4
Utilities	15	12
Wholesale Trade	12	11
FINANCIAL SERVICES GROUP		
Banking (Commercial)	15	14
Banking (Thrift Institutions)	22	20
Diversified Financial Services	16	14
Insurance (Life)	13	13
Insurance (Property and Casualty)	20	16

As shown in Table 4, bonus-eligible CEOs were reported most frequently in the machinery and the construction and contracting industries, in which 100% of the CEOs in the survey were bonus-eligible. As reported previously, however, these same two industries had a large number of CEOs who did not actually receive bonuses. Eligibility was least prevalent in utilities, where only 58% of the CEOs were reported as being eligible for bonuses.

The ratio of bonus, where paid, to base salary was highest in the construction and contracting industry (82%). The lowest bonus/base salary ratio was the 29% reported by the thrift institutions.

Additional data for CEOs (and other executives) by industry group and specific industry are presented in Tables 62 through 573.

Table 4

Chief Executive Officer:
Bonus eligibility/payments

	Percentage Bonus-Eligible CEOs	Bonus (where paid) as a Percentage of Base Salary	Percentage of CEOs Eligible But Not Receiving a Bonus
MANUFACTURING GROUP			
Durable Goods			
Basic Materials	97%	51%	25%
Computers and Related Office Equipment	83	70	40
Electrical and Electronic Equipment Instruments	95	50	25
Machinery	100	46	31
Metals Processing and Fabricating	93	39	26
Nondurable Goods			
Chemicals	94	52	10
Food Products and Tobacco	90	67	14
Nondurable Consumer Goods	91	49	26
Paper Products	86	47	21
Petroleum	92	54	0
Publishing	95	53	–
NONMANUFACTURING GROUP			
Business and Professional Services	81	52	25
Communications	84	51	25
Construction and Contracting	100	82	47
Mining and Energy Extraction	80	39	31
Retail Sales	86	56	18
Transportation	85	48	29
Utilities	58	36	19
Wholesale Trade	82	44	26
FINANCIAL SERVICES GROUP			
Banking (Commercial)	88	38	21
Banking (Thrift Institutions)	68	29	18
Diversified Financial Services	85	59	14
Insurance (Life)	76	35	21
Insurance (Property and Casualty)	64	61	22

Comparisons by Company Size

Average total compensation paid to CEOs and average percentage increases in total compensation were analyzed by size of company for each industry group.

These data are presented for both bonus companies and all companies (includes those that are nonbonus) in Tables 5 through 8. As expected, the tables show that larger companies in a given industry group tend to pay higher levels of compensation.

For the nonmanufacturing and financial services industry groups, base salaries for chief executives in bonus companies were compared to average CEO salaries in nonbonus companies. This comparison was not made for the manufacturing groups, in which virtually all CEOs were reported as bonus-eligible. In all instances, average base salary levels reported by bonus companies were higher than those reported by nonbonus companies. Bonus companies paid salaries that were 3% to 28% higher than their nonbonus counterparts.

As expected, average total compensation of chief executives was higher in bonus companies in every size category. Nonmanufacturing companies with sales of $1-5 billion reported the largest difference (72%) between CEO total compensation in bonus companies versus nonbonus companies.

Table 5

Chief Executive Officer—Durable Goods Manufacturing Group:
Average total compensation and average percentage increase by sales volume

SALES VOLUME	TOTAL COMPENSATION		PERCENTAGE INCREASE	
	Bonus Companies	All Companies	Bonus Companies	All Companies
Under $50 Million	$152,100	$150,100	7%	7%
$50-100	183,700	181,300	6	7
$100-200	269,800	264,300	4	4
$200-500	330,300	328,500	10	9
$500-1 Billion	429,900	429,900	5	5
$1-5	616,900	593,800	4	5
Over $5 Billion	1,056,200	1,056,200	4	4

Table 6

Chief Executive Officer—Nondurable Goods Manufacturing Group:

Average total compensation and average percentage increase/(decrease) by sales volume

SALES VOLUME	TOTAL COMPENSATION		PERCENTAGE INCREASE/(DECREASE)	
	Bonus Companies	All Companies	Bonus Companies	All Companies
Under $50 Million	$165,000	$185,500	(2)%	0%
$50-100	233,900	217,700	17	16
$100-200	277,600	277,600	8	8
$200-500	339,800	327,500	10	10
$500-1 Billion	414,800	399,900	6	6
$1-5	588,200	580,400	8	8
Over $5 Billion	945,500	945,500	2	2

Table 7

Chief Executive Officer—Nonmanufacturing Group:

Average total compensation and average percentage increase by sales volume

SALES VOLUME	TOTAL COMPENSATION		PERCENTAGE INCREASE	
	Bonus Companies	All Companies	Bonus Companies	All Companies
Under $50 Million	$225,200	$202,200	9%	8%
$50-100	246,700	250,800	20	18
$100-200	247,400	235,200	10	9
$200-500	304,200	288,400	9	9
$500-1 Billion	394,800	347,800	14	12
$1-5	532,700	492,100	11	11
Over $5 Billion	741,800	739,300	8	8

Table 8

Chief Executive Officer—Financial Services Group:

Average total compensation and average percentage increase by assets

ASSETS	TOTAL COMPENSATION		PERCENTAGE INCREASE	
	Bonus Companies	All Companies	Bonus Companies	All Companies
Under $50 Million	$178,000	$162,800	5%	8%
$50-100	*	*	*	*
$100-200	191,800	191,800	13	13
$200-500	208,100	181,400	11	12
$500-1 Billion	256,200	235,700	19	18
$1-5	336,100	299,600	15	14
Over $5 Billion	615,900	607,900	22	22

Tables 9 through 12 show the ratios of CEO bonus payments to base salaries by size categories. The range in the ratios of bonus payments to base salaries is greater in the manufacturing groups than in either the nonmanufacturing or financial services groups. For example, nondurable goods manufacturers ranged from 37% of base salary in the under $50 million size category to 86% in the over $5 billion size category.

Table 9

Chief Executive Officer—Durable Goods Manufacturing Group:

Bonus (where paid) as a percentage of base salary

SALES VOLUME	1985	1984
Under $50 Million	41%	40%
$50-100	36	43
$100-200	48	57
$200-500	50	55
$500-1 Billion	48	53
$1-5	57	65
Over $5 Billion	79	88

* *Insufficient data*

Table 10

Chief Executive Officer—Nondurable Goods Manufacturing Group:

Bonus (where paid) as a percentage of base salary

SALES VOLUME	1985	1984
Under $50 Million	37%	48%
$50-100	40	45
$100-200	54	50
$200-500	43	44
$500-1 Billion	56	61
$1-5	68	70
Over $5 Billion	86	88

Table 11

Chief Executive Officer—Nonmanufacturing Group:

Bonus (where paid) as a percentage of base salary

SALES VOLUME	1985	1984
Under $50 Million	44%	38%
$50-100	67	60
$100-200	46	45
$200-500	44	50
$500-1 Billion	45	39
$1-5	55	50
Over $5 Billion	48	57

Table 12

Chief Executive Officer—Financial Services Group:

Bonus (where paid) as a percentage of base salary

ASSETS	1985	1984
Under $50 Million	52%	43%
$50-100	*	*
$100-200	27	32
$200-500	28	35
$500-1 Billion	49	43
$1-5	38	32
Over $5 Billion	54	44

* *Insufficient data*

Comparisons by Region

Average increases in total compensation for CEOs ranged from an increase of 5% in the South Central and Western regions to an increase of 12% in the Northeast and Southeast regions (see Table 13).

A geographic analysis of chief executive compensation — without regard to company size — showed that the highest average total compensation was paid to CEOs in the Northeast region, followed by those in the North Central region. The lowest average total compensation was paid to CEOs in the South Central region.

To provide a more detailed comparison, Tables 14 through 17 present an analysis of regional differences in CEO compensation for each industry group, according to company size. Here an index of 1.00 represents the average total compensation for each size category in each industry group throughout the United States.

Some regions tended to pay more than the average of a particular industry group, while others tended to pay less. For example, CEOs in nonmanufacturing companies in the Northeast tended to receive above average compensation, as did CEOs in financial services companies in the Northeast. However, the data show that company size has a greater influence on compensation than does company location.

Table 13

Chief Executive Officer:
Average total compensation and average percentage increase by region

	Total Compensation	Percentage Increase
Northeast	$414,900	12%
Southeast	323,400	12
North Central	347,300	11
South Central	311,900	5
West	316,900	5

Table 14

Chief Executive Officer — Durable Goods Manufacturing Group:
Regional analysis of total compensation *(Average for each size category = 1.00)*

SALES VOLUME	Northeast	Southeast	North Central	South Central	West
Under $50 Million	1.09	*	1.13	.76	.92
$50-100	1.07	.92	.94	*	*
$100-200	1.15	*	.93	*	.83
$200-500	1.04	.88	1.01	1.06	.94
$500-1 Billion	.99	*	1.04	*	*
$1-5	.85	*	1.12	*	*

* *Insufficient data*

Table 15

Chief Executive Officer — Nondurable Goods Manufacturing Group:

Regional analysis of total compensation *(Average for each size category = 1.00)*

SALES VOLUME	Northeast	Southeast	North Central	South Central	West
Under $50 Million	1.13	*	.92	*	*
$50-100	.64	*	1.25	*	*
$100-200	1.11	*	.94	*	*
$200-500	1.15	.83	1.05	*	*
$500-1 Billion	1.11	*	.91	*	*
$1-5	1.06	.99	.98	*	*
Over $5 Billion	1.04	*	*	*	*

Table 16

Chief Executive Officer — Nonmanufacturing Group:

Regional analysis of total compensation *(Average for each size category = 1.00)*

SALES VOLUME	Northeast	Southeast	North Central	South Central	West
Under $50 Million	1.15	*	1.19	1.03	.74
$50-100	*	.96	1.16	.82	*
$100-200	1.11	*	1.03	*	.90
$200-500	1.10	*	.93	.73	1.08
$500-1 Billion	.90	.87	.97	*	1.17
$1-5	1.08	.92	.99	1.03	.85
Over $5 Billion	.99	*	1.06	*	*

Table 17

Chief Executive Officer — Financial Services Group:

Regional analysis of total compensation *(Average for each size category = 1.00)*

ASSETS	Northeast	Southeast	North Central	South Central	West
Under $50 Million	*	*	*	*	*
$50-100	*	*	*	*	*
$100-200	*	*	*	*	*
$200-500	1.51	*	.69	1.00	*
$500-1 Billion	1.46	1.12	.79	*	*
$1-5	1.14	1.02	.95	.95	.78
Over $5 Billion	1.15	.83	.83	*	.92

* *Insufficient data*

Top Executive Compensation

This section of the report presents analysis of data for approximately 5,900 top executives in the following 13 positions:

- Chief Operating Officer
- Top Financial Officer
- Top Marketing Executive
- Top Sales Executive
- Top Manufacturing Executive
- Top Human Resources Executive
- Top Strategic Planning Executive
- Top Legal Executive
- Top International Executive
- Controller
- Treasurer
- Top Administrative Executive
- Top Engineering Executive

The first part of the section addresses data reported for the group of top executives as a whole. This is followed by an outline of key findings for each top executive position.

The average increase in total compensation paid to top executives was 9%. Eighty-seven percent of the executives for whom data were reported were eligible for bonus payments. Overall, the average total compensation of top executives who were bonus-eligible was 65% higher than the average total compensation of top executives who were not bonus-eligible.

Total compensation to top executives in bonus-paying companies increased 9% in 1985, compared to a 12% increase reported last year. Base salaries within these companies increased by an average of 9%, slightly less than the 10% increase reported in the prior year, and 1985 bonuses, where paid, increased by an average of 21%, less than last year's increase, but still substantial. In addition, 20% of the bonus-eligible top executives were not paid bonuses for 1985. Nonbonus-paying companies reported total compensation increases averaging 9%, the same average increase reported for 1984.

An analysis of the data by industry group showed average total compensation of top executives in nondurable goods manufacturing companies ($157,000) to be higher than that of any of the other industry groups. In terms of total compensation, this year, as in the past, top executives of financial services companies ($118,300) were at the low end. Average total compensation to top executives in durable goods manufacturing companies was $127,800. In nonmanufacturing companies, it was $139,000.

Comparisons by Industry

The average increase in total compensation for top executives during 1985 was 9%. When the individual industries were compared, the highest average increase in total compensation was in the thrift industry (18%), followed by diversified financial services and business and professional services

(14%). The lowest average increase in total compensation for top executives was 3%, paid in the computers and related office equipment industry (see Table 18).

Table 18

Top Executives:

Average percentage increase in total compensation by industry *(1984-1985)*

	Bonus Companies	All Companies
MANUFACTURING GROUP		
Durable Goods		
Basic Materials	7%	7%
Computers and Related Office Equipment	2	3
Electrical and Electronic Equipment/Instruments	3	4
Machinery	9	9
Metals Processing and Fabricating	13	13
Nondurable Goods		
Chemicals	6	6
Food Products and Tobacco	10	9
Nondurable Consumer Goods	6	6
Paper Products	8	8
Petroleum	10	10
Publishing	6	–
NONMANUFACTURING GROUP		
Business and Professional Services	15	14
Communications	12	12
Construction and Contracting	8	8
Mining and Energy Extraction	8	–
Retail Sales	11	10
Transportation	3	5
Utilities	12	10
Wholesale Trade	6	6
FINANCIAL SERVICES GROUP		
Banking (Commercial)	13	13
Banking (Thrift Institutions)	21	18
Diversified Financial Services	15	14
Insurance (Life)	15	13
Insurance (Property and Casualty)	13	13

Ninety-four percent of the top executives in durable goods manufacturing companies were bonus-eligible, as were 93% in nondurable goods manufacturing companies, 80% in nonmanufacturing companies, and 81% in financial services companies.

Table 19 presents the ratios of bonuses to base salaries for all 24 industries. Food products and tobacco had the highest ratio (44%) while mining and energy extraction reported the lowest ratio (19%).

Additional data by industry group and specific industry are presented in Tables 62 through 373.

Table 19

Top Executives:

Bonus as a percentage of base salary by industry

(Bonus-paying companies only)

	1985
MANUFACTURING GROUP	
Durable Goods	
Basic Materials	35%
Computers and Related Office Equipment	31
Electrical and Electronic Equipment Instruments	31
Machinery	33
Metals Processing and Fabricating	29
Nondurable Goods	
Chemicals	33
Food Products and Tobacco	44
Nondurable Consumer Goods	37
Paper Products	28
Petroleum	34
Publishing	33
NONMANUFACTURING GROUP	
Business and Professional Services	34
Communications	34
Construction and Contracting	26
Mining and Energy Extraction	19
Retail Sales	30
Transportation	37
Utilities	24
Wholesale Trade	34
FINANCIAL SERVICES GROUP	
Banking (Commercial)	25
Banking (Thrift Institutions)	23
Diversified Financial Services	37
Insurance (Life)	25
Insurance (Property and Casualty)	34

Note: In past studies we have included several years of data in this exhibit. Due to the realignment of industries this year, we have only included 1985 data. In future editions, we will add historical data as it is developed.

Comparisons by Region

In order to compare the differences in average total compensation for top executives by region, an index was developed similar to the one described in the chief executive officer section. The index was calculated by comparing the average total compensation levels for the top executives in each region to the average total compensation reported by all companies in the same industry group and size category. These data are presented in Tables 20 through 23. Indices above 1.00 indicate that the region is paying its executives at a level above the average for all regions, while indices below 1.00 indicate below-average compensation levels.

As in the CEO section of this report, the index method of comparison presented here should not be construed as a measure of absolute differences among industries, nor should it form the sole basis for evaluating compensation levels in an industry. Nevertheless, the indices represent a consistent form of measurement and are useful indicators for comparing average compensation levels among regions.

Table 20

Top Executives — Durable Goods Manufacturing Group:
Regional analysis of total compensation *(Average for each size category = 1.00)*

SALES VOLUME	Northeast	Southeast	North Central	South Central	West
Under $50 Million	.98	.81	.89	1.27	1.00
$50-100	1.08	.89	.99	*	.92
$100-200	1.00	.81	.98	.89	.98
$200-500	1.05	.95	.95	1.07	.93
$500-1 Billion	1.02	*	1.10	.80	.90
$1-5	.97	1.14	1.00	1.07	.94
Over $5 Billion	1.05	*	.99	*	.85

Table 21

Top Executives — Nondurable Goods Manufacturing Group:
Regional analysis of total compensation *(Average for each size category = 1.00)*

SALES VOLUME	Northeast	Southeast	North Central	South Central	West
Under $50 Million	.94	.92	1.03	*	1.26
$50-100	.88	1.08	.97	1.11	1.84
$100-200	1.01	1.04	.98	.94	.87
$200-500	1.04	.84	1.07	.81	1.00
$500-1 Billion	1.14	1.07	.93	.80	1.11
$1-5	1.07	.97	.98	.60	1.16
Over $5 Billion	1.05	1.08	.91	.90	.68

* *Insufficient data*

Table 22

Top Executives — Nonmanufacturing Group:

Regional analysis of total compensation *(Average for each size category = 1.00)*

SALES VOLUME	Northeast	Southeast	North Central	South Central	West
Under $50 Million	1.06	.96	1.23	.92	.68
$50-100	1.70	.91	1.08	.84	1.07
$100-200	1.19	.89	.89	.95	.84
$200-500	1.05	1.34	.90	.86	1.00
$500-1 Billion	.95	.98	.94	1.04	1.12
$1-5	1.09	.90	.95	1.08	.84
Over $5 Billion	1.11	*	.98	.98	.91

Table 23

Top Executives — Financial Services Group:

Regional analysis of total compensation *(Average for each size category = 1.00)*

ASSETS	Northeast	Southeast	North Central	South Central	West
Under $50 Million	1.05	1.01	.89	*	*
$50-100	*	*	.86	*	*
$100-200	1.10	*	1.29	.72	.57
$200-500	1.58	.75	.81	.90	.94
$500-1 Billion	1.42	1.03	.88	.89	.79
$1-5	1.08	.96	.97	.94	.97
Over $5 Billion	1.16	.90	.85	.94	.83

* *Insufficient data*

Comparison: Top Executives to Chief Executive Officer

When analyzing compensation levels, it is often useful to compare the compensation of key executives to that of the chief executive officer. Tables 24 through 27 present the average total compensation of each of the top executive positions in each of the industry groups, as a percentage of average CEO total compensation, according to company size. Generally, the ratio of top executive compensation to CEO compensation tends to be lower in the larger companies. This is because CEO pay increases at a faster rate relative to the other top executives as company size increases.

The average 1985 total compensation, in dollars and as a percentage of the CEO's total compensation, for top executives across industries and size groups was as follows:

	Total Compensation	Percentage of CEO's Total Compensation
Chief Operating Officer	$265,700	74%
Top Financial Officer	159,700	45
Top Administrative Executive	158,400	44
Top International Executive	151,000	42
Top Legal Executive	144,100	40
Top Strategic Planning Executive	124,100	35
Top Manufacturing Executive	121,300	34
Top Marketing Executive	115,200	32
Top Engineering Executive	111,300	31
Top Sales Executive	110,600	31
Treasurer	109,700	31
Top Human Resources Executive	99,000	28
Controller	94,500	26

These figures are based on data provided for all top executives. Companies in certain industries with larger sales volumes and/or greater total assets more frequently have certain positions (e.g., top international executive, top strategic planning executive, top administrative executive) and also generally tend to pay higher levels of total compensation to their executives. For these reasons, the rankings by position based on overall averages, calculated regardless of company size, are not necessarily equivalent to the rankings by position based on averages calculated for companies of similar size, within industry groupings.

Table 24

Top Executives — Durable Goods Manufacturing Group:
Compensation as a percentage of CEO's compensation

SALES VOLUME	Chief Operating Officer	Top Financial Officer	Top Marketing Executive	Top Sales Executive	Top Manufacturing Executive	Top Human Resources Executive
Under $50 Million	*	56%	53%	48%	49%	35%
$50-100	77%	55	49	44	45	33
$100-200	70	50	39	35	45	31
$200-500	76	51	35	30	37	28
$500-1 Billion	75	44	70	34	38	27
$1-5	66	45	30	32	31	25
Over $5 Billion	*	37	*	*	*	*

SALES VOLUME	Top Strategic Planning Executive	Top Legal Executive	Top International Executive	Controller	Treasurer	Top Administrative Executive	Top Engineering Executive
Under $50 Million	58%	*	84%	35%	42%	*	45%
$50-100	45	46%	33	32	44	*	50
$100-200	37	35	30	29	30	*	35
$200-500	31	30	35	29	28	37%	31
$500-1 Billion	20	32	20	24	24	*	40
$1-5	25	29	31	24	23	41	24
Over $5 Billion	25	30	*	20	18	*	*

* *Insufficient data*

Table 25

Top Executives — Nondurable Goods Manufacturing Group:
Compensation as a percentage of CEO's compensation

SALES VOLUME	Chief Operating Officer	Top Financial Officer	Top Marketing Executive	Top Sales Executive	Top Manufacturing Executive	Top Human Resources Executive
Under $50 Million	68%	44%	55%	41%	41%	21%
$50-100	86	45	41	44	45	31
$100-200	80	49	40	36	39	25
$200-500	79	44	45	41	35	28
$500-1 Billion	80	47	35	31	33	27
$1-5	78	43	33	30	32	— 27
Over $5 Billion	60	42	18	*	27	29

SALES VOLUME	Top Strategic Planning Executive	Top Legal Executive	Top International Executive	Controller	Treasurer	Top Administrative Executive	Top Engineering Executive
Under $50 Million	*	*	*	24%	*	*	*
$50-100	*	*	37%	24	*	*	*
$100-200	35%	*	37	27	25%	*	*
$200-500	31	35%	49	27	31	43%	27%
$500-1 Billion	28	35	38	27	25	39	27
$1-5	20	35	44	24	23	50	22
Over $5 Billion	23	34	40	23	23	*	*

* *Insufficient data*

Table 26

Top Executives — Nonmanufacturing Group:
Compensation as a percentage of CEO's compensation

SALES VOLUME	Chief Operating Officer	Top Financial Officer	Top Marketing Executive	Top Sales Executive	Top Human Resources Executive	Top Strategic Planning Executive
Under $50 Million	98%	48%	55%	58%	28%	42%
$50-100	71	40	54	38	20	*
$100-200	82	49	47	49	27	49
$200-500	69	47	41	36	30	38
$500-1 Billion	67	45	35	29	28	29
$1-5	68	44	32	32	25	28
Over $5 Billion	63	44	24	*	26	23

SALES VOLUME	Top Legal Executive	Top International Executive	Controller	Treasurer	Top Administrative Executive	Top Engineering Executive
Under $50 Million	53%	*	31%	40%	*	*
$50-100	27	*	26	22	*	*
$100-200	37	*	30	31	*	*
$200-500	35	48%	27	26	32%	36%
$500-1 Billion	35	32	26	25	40	*
$1-5	34	44	24	24	36	28
Over $5 Billion	31	*	22	21	42	*

* *Insufficient data*

Table 27

Top Executives — Financial Services Group:
Compensation as a percentage of CEO's compensation

ASSETS	Chief Operating Officer	Top Financial Officer	Top Marketing Executive	Top Sales Executive	Top Human Resources Executive	Top Strategic Planning Executive
Under $50 Million	72%	46%	44%	33%	30%	*
$50-100	*	*	*	*	*	*
$100-200	80	45	27	*	24	*
$200-500	77	41	30	*	26	*
$500-1 Billion	90	41	28	29	21	*
$1-5	69	45	28	35	24	29%
Over $5 Billion	70	37	23	*	21	21

ASSETS	Top Legal Executive	Top International Executive	Controller	Treasurer	Top Administrative Executive
Under $50 Million	*	*	30%	*	*
$50-100	*	*	*	*	*
$100-200	*	*	17	*	*
$200-500	51%	*	25	35%	56%
$500-1 Billion	38	*	23	26	30
$1-5	36	24%	24	35	37
Over $5 Billion	26	22	19	24	35

* *Insufficient data*

The following sections present key findings for each of the 13 top executive positions.

Chief Operating Officer

The chief operating officer is responsible to the chief executive officer for coordinating and directing the activities of the corporation in accordance with the policies and objectives established by the directors. Specific functions usually include assisting in the development of policies regarding all corporate functions, directing management in conducting all business activities, establishing policies to ensure adequate management development, establishing controls to maintain adequate communication and information flows, regularly evaluating the results of overall operations, ensuring that all corporate activities comply with government laws and regulations, and directing growth and acquisition activities. The chief operating officer is generally the second highest paid executive in the corporation.

- Average total compensation in 1985: $265,700.
- Average increase in total compensation: 10%.
- Percentage of chief operating officers bonus eligible: 87%.
- Bonus (where paid) as a percentage of base salary: 48%.
- Average bonus increase: 15%.
- Industry group total compensation:
  - —Highest: nondurable goods manufacturing ($329,500)
  - —Lowest: financial services ($244,400).
- Rates of increase in total compensation by industry:
  - —Highest: mining and energy extraction, thrift institutions (20%)
  - —Lowest: electrical and electronic equipment/instruments, petroleum, construction and contracting (0%).
- Regional increases in total compensation:
  - —Highest: Southeast (12%)
  - —Lowest: West (8%).

Table 28

Chief Operating Officer:
Average increase in total compensation by industry

	Percentage Increase
MANUFACTURING GROUP	
Durable Goods	
Basic Materials	8%
Computers and Related Office Equipment	3
Electrical and Electronic Equipment/Instruments	0
Machinery	14
Metals Processing and Fabricating	9
Nondurable Goods	
Chemicals	5
Food Products and Tobacco	5
Nondurable Consumer Goods	8
Paper Products	0
Petroleum	0
Publishing	9
NONMANUFACTURING GROUP	
Business and Professional Services	18
Communications	9
Construction and Contracting	0
Mining and Energy Extraction	20
Retail Sales	13
Transportation	4
Utilities	11
Wholesale Trade	8
FINANCIAL SERVICES GROUP	
Banking (Commercial)	14
Banking (Thrift Institutions)	20
Diversified Financial Services	16
Insurance (Life)	13
Insurance (Property and Casualty)	15

Table 29

Chief Operating Officer:
Average increase in total compensation by region

	Percentage Increase
Northeast	9%
Southeast	12
North Central	11
South Central	11
West	8

Top Financial Officer

The top financial officer is the executive who is responsible for the organization's financial plans and policies, its accounting practices, and the conduct of its relationships with lending institutions and the financial community. Duties usually include executive direction over treasury, budgeting, audit, tax, real estate and insurance activities, and the development of accounting and statistical data for internal control. The top financial officer tends to rank third in compensation in companies of similar size, after the CEO and the COO; this is especially true in larger companies.

- Average total compensation in 1985: $159,700.
- Average increase in total compensation: 9%.
- Percentage of top financial officers bonus-eligible: 87%.
- Bonus (where paid) as a percentage of base salary: 36%.
- Average bonus increase: 20%.
- Industry group total compensation:
  - —Highest: nondurable goods manufacturing ($185,600)
  - —Lowest: financial services ($136,600).
- Rates of increase in total compensation by industry:
  - —Highest: thrift institutions (19%)
  - —Lowest: computers and related office equipment (2%).
- Regional increases in total compensation:
  - —Highest: Northeast, Southeast and North Central (10%)
  - —Lowest: South Central and West (6%).

Table 50

Top Financial Officer:
Average increase in total compensation by industry

	Percentage Increase
MANUFACTURING GROUP	
Durable Goods	
Basic Materials	–%
Computers and Related Office Equipment	2
Electrical and Electronic Equipment Instruments	4
Machinery	8
Metals Processing and Fabricating	13
Nondurable Goods	
Chemicals	–
Food Products and Tobacco	8
Nondurable Consumer Goods	4
Paper Products	10
Petroleum	10
Publishing	11
NONMANUFACTURING GROUP	
Business and Professional Services	13
Communications	12
Construction and Contracting	–
Mining and Energy Extraction	6
Retail Sales	9
Transportation	–
Utilities	8
Wholesale Trade	6
FINANCIAL SERVICES GROUP	
Banking (Commercial)	15
Banking (Thrift Institutions)	19
Diversified Financial Services	9
Insurance (Life)	16
Insurance (Property and Casualty)	14

Table 51

Top Financial Officer:
Average increase in total compensation by region

	Percentage Increase
Northeast	10%
Southeast	10
North Central	10
South Central	6
West	6

Top Marketing Executive

The top marketing executive is the executive responsible for marketing the company's products and services in compliance with such corporate objectives as maximizing sales volume, profitability, and market share. Specific functions usually include developing marketing and pricing strategies, identifying and capitalizing on market opportunities, evaluating market reactions to advertising and merchandising procedures, and adjusting market strategies to reflect changing conditions. A comparison of compensation paid to other top executives in companies of similar size shows that compensation for this position tends to fall below that of the CEO, the COO, the top financial officer, and the top sales, manufacturing, and international executives, but typically is paid more than the top human resources and strategic planning executives, as well as the controller and treasurer.

- Average total compensation in 1985: $115,200.
- Average increase in total compensation: 11%.
- Percentage of top marketing executives bonus-eligible: 86%.
- Bonus (where paid) as a percentage of base salary: 30%.
- Average bonus increase: 26%.
- Industry group total compensation:
  - —Highest: nondurable goods manufacturing ($139,800)
  - —Lowest: financial services ($87,700).
- Rates of increase in total compensation by industry:
  - —Highest: property and casualty insurance (22%)
  - —Lowest: transportation (−4%).
- Regional increases in total compensation:
  - —Highest: Northeast (13%)
  - —Lowest: South Central (6%).

Table 32

Top Marketing Executive:
Average increase (decrease) in total compensation by industry

	Percentage Increase (Decrease)
MANUFACTURING GROUP	
Durable Goods	
Basic Materials	4%
Computers and Related Office Equipment	0
Electrical and Electronic Equipment/Instruments	10
Machinery	9
Metals Processing and Fabricating	20
Nondurable Goods	
Chemicals	5
Food Products and Tobacco	13
Nondurable Consumer Goods	11
Paper Products	9
Petroleum	16
Publishing	13
NONMANUFACTURING GROUP	
Business and Professional Services	11
Communications	–
Construction and Contracting	9
Mining and Energy Extraction	*
Retail Sales	14
Transportation	(4)
Utilities	12
Wholesale Trade	8
FINANCIAL SERVICES GROUP	
Banking (Commercial)	12
Banking (Thrift Institutions)	16
Diversified Financial Services	15
Insurance (Life)	13
Insurance (Property and Casualty)	22

Table 33

Top Marketing Executive:
Average increase in total compensation by region

	Percentage Increase
Northeast	13%
Southeast	10
North Central	12
South Central	6
West	11

* *Insufficient data*

Top Sales Executive

The top sales executive is responsible for planning and controlling the activities of the sales personnel and maintaining the optimum sales volume for the company's products and services. Typical duties include developing pricing and distribution policies, directing the activities of sales personnel, ensuring adequate training of sales personnel, developing sales programs and appraising their results against planning objectives, and directing sales personnel in the preparation of long- and short-range sales forecasts. When top executive compensation is compared among companies of similar size, this position tends to trail that of the CEO, the COO, the top financial officer, and the top manufacturing, international, and administrative executives. Compensation for this position also tends to fall below that of the top legal executive in larger sized firms. The top sales executive is generally paid more than the top marketing, human resources, strategic planning, and engineering executives, as well as the treasurer and controller.

- Average total compensation in 1985: $110,600.
- Average increase in total compensation: 8%.
- Percentage of top sales executives bonus-eligible: 88%.
- Bonus (where paid) as a percentage of base salary: 35%.
- Average bonus increase: 22%.
- Industry group total compensation:
  - —Highest: nondurable goods manufacturing ($125,400)
  - —Lowest: financial services ($93,300).
- Rates of increase in total compensation by industry:
  - —Highest: thrift institutions (22%)
  - —Lowest: transportation (− 4%).
- Regional increases in total compensation:
  - —Highest: North Central (11%)
  - —Lowest: Southeast (− 1%).

Table 34

Top Sales Executive:
Average increase (decrease) in total compensation by industry

	Percentage Increase (Decrease)
MANUFACTURING GROUP	
Durable Goods	
Basic Materials	(5)%
Computers and Related Office Equipment	6
Electrical and Electronic Equipment/Instruments	4
Machinery	8
Metals Processing and Fabricating	15
Nondurable Goods	
Chemicals	11
Food Products and Tobacco	11
Nondurable Consumer Goods	6
Paper Products	–
Petroleum	*
Publishing	13
NONMANUFACTURING GROUP	
Business and Professional Services	10
Communications	*
Construction and Contracting	*
Mining and Energy Extraction	*
Retail Sales	9
Transportation	(4)
Utilities	–
Wholesale Trade	8
FINANCIAL SERVICES GROUP	
Banking (Commercial)	8
Banking (Thrift Institutions)	22
Diversified Financial Services	5
Insurance (Life)	2
Insurance (Property and Casualty)	*

Table 35

Top Sales Executive:
Average increase (decrease) in total compensation by region

	Percentage Increase (Decrease)
Northeast	10%
Southeast	(1)
North Central	11
South Central	4
West	–

–

* *Insufficient data*

Top Manufacturing Executive

The top manufacturing executive is responsible for the manufacturing activities that produce the company's product. Functions typically include formulating manufacturing policies and programs, controlling inventory, forecasting manpower and facility requirements, developing production time and quality standards, controlling manufacturing costs, supervising installation and maintenance of manufacturing equipment, identifying and alleviating production bottlenecks, ensuring prompt delivery of goods, and preparing specifications for the purchase of plant equipment. In manufacturing companies, this was, on average, the fourth to eighth highest paid position, depending upon the company size and industry.

- Average total compensation in 1985: $121,500.
- Average increase in total compensation: 8%.
- Percentage of top manufacturing executives bonus-eligible: 90%.
- Bonus (where paid) as a percentage of base salary: 34%.
- Average bonus increase: 23%.
- Industry group total compensation:
  - —Highest: nondurable goods manufacturing ($130,700)
  - —Lowest: durable goods manufacturing ($111,400).
- Rates of increase in total compensation by industry:
  - —Highest: metals processing and fabricating (27%)
  - —Lowest: computers and related office equipment (0%).
- Regional increases in total compensation:
  - —Highest: Northeast and North Central (10%)
  - —Lowest: South Central (5%).

Table 36

Top Manufacturing Executive:
Average increase in total compensation by industry

	Percentage Increase
MANUFACTURING GROUP	
Durable Goods	
Basic Materials	2%
Computers and Related Office Equipment	0
Electrical and Electronic Equipment Instruments	5
Machinery	6
Metals Processing and Fabricating	2
Nondurable Goods	
Chemicals	8
Food Products and Tobacco	9
Nondurable Consumer Goods	4
Paper Products	–
Petroleum	12
Publishing	6

Table 37

Top Manufacturing Executive:
Average increase in total compensation by region

	Percentage Increase
Northeast	10%
Southeast	–
North Central	10
South Central	5
West	6

Top Human Resources Executive

The top human resources executive is responsible for developing and administering personnel policies regarding such matters as employment, compensation, labor relations, and training and development. Specific functions usually include developing hiring procedures and compensation policies, dealing with unions and employee groups, designing and monitoring career development programs, and formulating policies in accordance with government laws and regulations. Overall, among companies of similar size, the compensation for this position tends to be lower than that paid to the top executives in other functional areas. Among larger companies, however, the compensation for this position tends to exceed that of the controller.

- Average total compensation in 1985: $99,000.
- Average increase in total compensation: 9%.
- Percentage of top human resources executives bonus-eligible: 84%.
- Bonus (where paid) as a percentage of base salary: 27%.
- Average bonus increase: 23%.
- Industry group total compensation:
  - —Highest: nondurable goods manufacturing ($119,000)
  - —Lowest: financial services ($80,200).
- Rates of increase in total compensation by industry:
  - —Highest: thrift institutions (17%)
  - —Lowest: computers and related office equipment (0%).
- Regional increases in total compensation:
  - —Highest: Northeast, South Central and West (10%)
  - —Lowest: Southeast and North Central (8%).

Table 38

Top Human Resources Executive:
Average increase in total compensation by industry

	Percentage Increase
MANUFACTURING GROUP	
Durable Goods	
Basic Materials	9%
Computers and Related Office Equipment	0
Electrical and Electronic Equipment/Instruments	2
Machinery	8
Metals Processing and Fabricating	13
Nondurable Goods	
Chemicals	5
Food Products and Tobacco	11
Nondurable Consumer Goods	0
Paper Products	0
Petroleum	16
Publishing	6
NONMANUFACTURING GROUP	
Business and Professional Services	15
Communications	13
Construction and Contracting	4
Mining and Energy Extraction	2
Retail Sales	10
Transportation	–
Utilities	9
Wholesale Trade	3
FINANCIAL SERVICES GROUP	
Banking (Commercial)	14
Banking (Thrift Institutions)	17
Diversified Financial Services	13
Insurance (Life)	13
Insurance (Property and Casualty)	3

Table 39

Top Human Resources Executive:
Average increase in total compensation by region

	Percentage Increase
Northeast	10%
Southeast	8
North Central	8
South Central	10
West	10

Top Strategic Planning Executive

The top strategic planning executive is responsible for directing long-range planning and development activities. Typical duties include assisting corporate officers in developing company objectives, designing and directing plans to achieve specific goals, evaluating the resources of the company to meet objectives, reviewing proposals for major expenditures, seeking out and assessing outside investment opportunities, and evaluating corporate performance and progress in meeting established goals. This position is found most frequently in larger companies. In comparing companies of similar size, compensation for this position tends to fall below that of such positions as the CEO, COO, and top financial, marketing, sales, manufacturing, international, and administrative executives. Among larger companies, compensation is also less than the top legal and top engineering executives. However, compensation for the top strategic planning executive usually exceeds that of the top human resources executive, controller, and treasurer.

- Average total compensation in 1985: $124,100.
- Average increase in total compensation: 7%.
- Percentage of top strategic planning executives bonus-eligible: 89%.
- Bonus (where paid) as a percentage of base salary: 30%.
- Average bonus increase: 17%.
- Industry group total compensation:
  - —Highest: nondurable goods manufacturing ($137,700)
  - —Lowest: financial services ($107,000).
- Rates of increase in total compensation by industry:
  - —Highest: diversified financial services (24%)
  - —Lowest: electrical and electronic equipment instruments (– 3%).
- Regional increases in total compensation:
  - —Highest: Southeast and North Central (8%)
  - —Lowest: West (2%).

Table 40

Top Strategic Planning Executive:
Average increase (decrease) in total compensation by industry

	Percentage Increase (Decrease)
MANUFACTURING GROUP	
Durable Goods	
Basic Materials	8%
Computers and Related Office Equipment	*
Electrical and Electronic Equipment Instruments	(3)
Machinery	0
Metals Processing and Fabricating	4
Nondurable Goods	
Chemicals	6
Food Products and Tobacco	8
Nondurable Consumer Goods	5
Paper Products	15
Petroleum	12
Publishing	5
NONMANUFACTURING GROUP	
Business and Professional Services	10
Communications	8
Construction and Contracting	*
Mining and Energy Extraction	5
Retail Sales	12
Transportation	6
Utilities	0
Wholesale Trade	4
FINANCIAL SERVICES GROUP	
Banking (Commercial)	8
Banking (Thrift Institutions)	21
Diversified Financial Services	24
Insurance (Life)	*
Insurance (Property and Casualty)	*

Table 41

Top Strategic Planning Executive:
Average increase in total compensation by region

	Percentage Increase
Northeast	7%
Southeast	8
North Central	8
South Central	7
West	2

* *Insufficient data*

Top Legal Executive

The top legal executive is responsible for directing the company's legal activities. Specific functions usually include counseling company executives on the legal aspects of corporate matters, handling the registration and protection of patents and trademarks, representing the company in any legal actions initiated by the company or taken against it, and reviewing the legal aspects of pricing and sales promotion programs. In companies of similar size, compensation for this position tends to trail that of the CEO, COO, top financial officer, and top manufacturing, international, and administrative executives. It generally exceeds compensation for such positions as top human resources executive, controller, treasurer and top engineering executive. Among larger companies, compensation for this position also exceeds that of top marketing, sales, and strategic planning executives.

- Average total compensation in 1985: $114,100.
- Average increase in total compensation: 10%.
- Percentage of top legal executives bonus-eligible: 89%.
- Bonus (where paid) as a percentage of base salary: 32%.
- Average bonus increase: 23%.
- Industry group total compensation:
  - —Highest: nondurable goods manufacturing ($179,000)
  - —Lowest: financial services ($124,800).
- Rates of increase in total compensation by industry:
  - —Highest: business and professional services (22%)
  - —Lowest: computers and related office equipment (0%).
- Regional increases in total compensation:
  - —Highest: Southeast and South Central (12%)
  - —Lowest: North Central and West (8%).

Table 42

Top Legal Executive:
Average increase in total compensation by industry

	Percentage Increase
MANUFACTURING GROUP	
Durable Goods	
Basic Materials	11%
Computers and Related Office Equipment	0
Electrical and Electronic Equipment/Instruments	1
Machinery	10
Metals Processing and Fabricating	13
Nondurable Goods	
Chemicals	5
Food Products and Tobacco	5
Nondurable Consumer Goods	3
Paper Products	13
Petroleum	11
Publishing	2
NONMANUFACTURING GROUP	
Business and Professional Services	22
Communications	14
Construction and Contracting	17
Mining and Energy Extraction	–
Retail Sales	10
Transportation	8
Utilities	8
Wholesale Trade	9
FINANCIAL SERVICES GROUP	
Banking (Commercial)	12
Banking (Thrift Institutions)	17
Diversified Financial Services	13
Insurance (Life)	18
Insurance (Property and Casualty)	15

Table 43

Top Legal Executive:
Average increase in total compensation by region

	Percentage Increase
Northeast	10%
Southeast	12
North Central	8
South Central	12
West	8

Top International Executive

The top international executive is responsible for the development of foreign markets, and may also be responsible for manufacturing in overseas locations. Typical duties usually include investigating potential marketing opportunities in different locations, interpreting foreign policies regarding market development, distributing products internationally, and maintaining a knowledge of foreign political activities, trade and tariff policies, and social conditions. In companies of the same size, compensation for the top international executive tends to trail that of the CEO, COO, top financial officer and top manufacturing executive. It generally exceeds that of all other positions including the top marketing, sales, human resources, strategic planning, legal, administrative, and engineering executives, as well as the controller and treasurer.

- Average total compensation in 1985: $151,000.
- Average increase in total compensation: 8%.
- Percentage of top international executives bonus-eligible: 93%.
- Bonus (where paid) as a percentage of base salary: 32%.
- Average bonus increase: 20%.
- Industry group total compensation:
  - —Highest: nondurable goods manufacturing ($191,900)
  - —Lowest: financial services ($100,500).
- Rates of increase in total compensation by industry:
  - —Highest: food products and tobacco (15%)
  - —Lowest: chemicals (3%).
- Regional increases in total compensation:
  - —Highest: Northeast, North Central and South Central (10%)
  - —Lowest: West (0%).

Table 44

Top International Executive:
Average increase in total compensation by industry

	Percentage Increase
MANUFACTURING GROUP	
Durable Goods	
Basic Materials	8%
Computers and Related Office Equipment	*
Electrical and Electronic Equipment/Instruments	6
Machinery	8
Metals Processing and Fabricating	9
Nondurable Goods	
Chemicals	3
Food Products and Tobacco	15
Nondurable Consumer Goods	6
Paper Products	11
Petroleum	*
Publishing	*
NONMANUFACTURING GROUP	
Business and Professional Services	13
Communications	*
Construction and Contracting	*
Mining and Energy Extraction	*
Retail Sales	*
Transportation	*
Utilities	*
Wholesale Trade	5
FINANCIAL SERVICES GROUP	
Banking (Commercial)	9
Banking (Thrift Institutions)	*
Diversified Financial Services	*
Insurance (Life)	*
Insurance (Property and Casualty)	*

Table 45

Top International Executive:
Average increase in total compensation by region

	Percentage Increase
Northeast	10%
Southeast	5
North Central	10
South Central	10
West	0

* *Insufficient data*

Controller

The controller is responsible for an organization's accounting practices, fiscal records, and financial reports. Typically, duties involve supervision of general accounting, property accounting, internal auditing, cost accounting, and budget. This position generally reports to the top financial officer, as does the treasurer. In smaller companies, the duties of the controller may be handled by the treasurer or top financial officer. In comparing companies of similar size, the data show that compensation for this position tends to be lower than that of the treasurer.

- Average total compensation in 1985: $94,500.
- Average increase in total compensation: 9%.
- Percentage of controllers bonus-eligible: 84%.
- Bonus (where paid) as a percentage of base salary: 26%.
- Average bonus increase: 23%.
- Industry group total compensation:
  - —Highest: nondurable goods manufacturing ($111,200)
  - —Lowest: financial services ($77,000).
- Rates of increase in total compensation by industry:
  - —Highest: communications (15%)
  - —Lowest: electrical and electronic equipment/instruments (4%).
- Regional increases in total compensation:
  - —Highest: North Central (10%)
  - —Lowest: West (8%).

Table 46

Controller:
Average increase in total compensation by industry

	Percentage Increase
MANUFACTURING GROUP	
Durable Goods	
Basic Materials	6%
Computers and Related Office Equipment	12
Electrical and Electronic Equipment/Instruments	4
Machinery	11
Metals Processing and Fabricating	8
Nondurable Goods	
Chemicals	8
Food Products and Tobacco	10
Nondurable Consumer Goods	6
Paper Products	6
Petroleum	9
Publishing	8
NONMANUFACTURING GROUP	
Business and Professional Services	11
Communications	15
Construction and Contracting	8
Mining and Energy Extraction	9
Retail Sales	10
Transportation	9
Utilities	9
Wholesale Trade	6
FINANCIAL SERVICES GROUP	
Banking (Commercial)	12
Banking (Thrift Institutions)	14
Diversified Financial Services	14
Insurance (Life)	14
Insurance (Property and Casualty)	–

Table 47

Controller:
Average increase in total compensation by region

	Percentage Increase
Northeast	9%
Southeast	9
North Central	10
South Central	9
West	8

Treasurer

The treasurer is responsible for the custody of funds, short-term investments, and other financial assets. Duties usually include maintaining banking relations, arranging for lines of credit, controlling deposit levels and bank selection, overseeing contracts with government authorities concerning tax obligations, and handling insurance functions. As does the controller, the treasurer generally reports to the top financial officer. In smaller companies, the duties of the treasurer may be handled by the controller or top financial officer. Compensation for this position tends to be above that of the controller when comparing companies of similar size.

- Average total compensation in 1985: $109,700.
- Average increase in total compensation: 9%.
- Percentage of treasurers bonus-eligible: 90%.
- Bonus (where paid) as a percentage of base salary: 29%.
- Average bonus increase: 22%.
- Industry group total compensation:
  - —Highest: nondurable goods manufacturing ($122,100)
  - —Lowest: nonmanufacturing ($102,200).
- Rates of increase in total compensation by industry:
  - —Highest: thrift institutions (18%)
  - —Lowest: electrical and electronic equipment/instruments (1%).
- Regional increases in total compensation:
  - —Highest: South Central (13%)
  - —Lowest: Northeast and North Central (8%).

Table 48

Treasurer:
Average increase in total compensation by industry

	Percentage Increase
MANUFACTURING GROUP	
Durable Goods	
Basic Materials	8%
Computers and Related Office Equipment	5
Electrical and Electronic Equipment/Instruments	1
Machinery	9
Metals Processing and Fabricating	12
Nondurable Goods	
Chemicals	6
Food Products and Tobacco	8
Nondurable Consumer Goods	7
Paper Products	5
Petroleum	5
Publishing	5
NONMANUFACTURING GROUP	
Business and Professional Services	13
Communications	14
Construction and Contracting	*
Mining and Energy Extraction	9
Retail Sales	6
Transportation	–
Utilities	11
Wholesale Trade	4
FINANCIAL SERVICES GROUP	
Banking (Commercial)	14
Banking (Thrift Institutions)	18
Diversified Financial Services	17
Insurance (Life)	13
Insurance (Property and Casualty)	14

Table 49

Treasurer:
Average increase in total compensation by region

	Percentage Increase
Northeast	8%
Southeast	9
North Central	8
South Central	13
West	9

* *Insufficient data*

Top Administrative Executive

The top administrative executive is responsible for directing and coordinating the planning, development and implementation of policies, programs and practices for the administrative functions of the company. Duties may include supervising corporate staff functions such as purchasing, facilities management, telecommunications, and internal data processing. This position, along with the top engineering executive, had the largest average increase in total compensation within the top executive group.

- Average total compensation in 1985: $158,400.
- Average increase in total compensation: 12%.
- Percentage of top administrative executives bonus-eligible: 92%.
- Bonus (where paid) as a percentage of base salary: 29%.
- Average bonus increase: 26%.
- Industry group total compensation:
  —Highest: nondurable goods manufacturing ($197,600)
  —Lowest: financial services ($123,100).
- Rates of increase in total compensation by industry:
  —Highest: diversified financial services (22%)
  —Lowest: mining and energy extraction (2%).
- Regional increases in total compensation:
  —Highest: North Central (17%)
  —Lowest: West (6%).

Table 50

Top Administrative Executive:
Average increase in total compensation by industry

	Percentage Increase
MANUFACTURING GROUP	
Durable Goods	
Basic Materials	*
Computers and Related Office Equipment	*
Electrical and Electronic Equipment Instruments	6%
Machinery	*
Metals Processing and Fabricating	*
Nondurable Goods	
Chemicals	10
Food Products and Tobacco	*
Nondurable Consumer Goods	*
Paper Products	*
Petroleum	*
Publishing	9
NONMANUFACTURING GROUP	
Business and Professional Services	11
Communications	*
Construction and Contracting	*
Mining and Energy Extraction	2
Retail Sales	20
Transportation	*
Utilities	*
Wholesale Trade	*
FINANCIAL SERVICES GROUP	
Banking (Commercial)	12
Banking (Thrift Institutions)	14
Diversified Financial Services	22
Insurance (Life)	*
Insurance (Property and Casualty)	*

Table 51

Top Administrative Executive:
Average increase in total compensation by region

	Percentage Increase
Northeast	13%
Southeast	12
North Central	17
South Central	10
West	6

* *Insufficient data*

Top Engineering Executive

The top engineering executive is responsible for planning and directing the company's engineering function as related to product and process design and development. Duties may include coordinating with manufacturing and operations departments to establish standards and specifications for materials and machinery, as well as providing engineering assistance to other departments. This position, along with the top administrative executive, had the largest average increase in total compensation within the top executive group.

- Average total compensation in 1985: $111,500.
- Average increase in total compensation: 12%.
- Percentage of top engineering executives bonus-eligible: 88%.
- Bonus (where paid) as a percentage of base salary: 27%.
- Average bonus increase: 27%.
- Industry group total compensation:
  - —Highest: nonmanufacturing ($115,900)
  - —Lowest: durable goods manufacturing ($105,600).
- Rates of increase in total compensation by industry:
  - —Highest: metals processing and fabricating (51%)
  - —Lowest: computers and related office equipment (2%).
- Regional increases in total compensation:
  - —Highest: West (17%)
  - —Lowest: Southeast (5%).

Table 5.2

Top Engineering Executive:
Average increase in total compensation by industry

	Percentage Increase
MANUFACTURING GROUP	
Durable Goods	
Basic Materials	10%
Computers and Related Office Equipment	2
Electrical and Electronic Equipment/Instruments	13
Machinery	10
Metals Processing and Fabricating	31
Nondurable Goods	
Chemicals	–
Food Products and Tobacco	*
Nondurable Consumer Goods	16
Paper Products	*
Petroleum	*
Publishing	*
NONMANUFACTURING GROUP	
Business and Professional Services	*
Communications	*
Construction and Contracting	*
Mining and Energy Extraction	*
Retail Sales	*
Transportation	*
Utilities	13
Wholesale Trade	*

Table 5.3

Top Engineering Executive:
Average increase in total compensation by region

	Percentage Increase
Northeast	11%
Southeast	5
North Central	12
South Central	14
West	17

* *Insufficient data*

Senior Financial Management Compensation

This section of the report analyzes the data for approximately 3,300 senior financial management executives in the following eight positions:

- Top Tax Executive
- Top General Accounting Executive
- Top Systems and Data Processing Executive
- Top Budget Executive
- Top Internal Audit Executive
- Top Credit and Collection Executive
- Corporate Risk Management Executive
- Cash Management Executive

Total compensation for the senior financial management group rose by an average of 8% in 1985, slightly lower than the 9% increase reported for 1984. Bonus-paying companies reported an average increase of 8%, reflecting an 8% increase in base salaries, and a 19% increase in bonuses, where paid. A 7% compensation increase was reported by nonbonus companies. Within the senior financial management group, the largest average increase in total compensation was reported for top systems and data processing executives in financial services companies (13%). The lowest average increase was received by top internal audit executives in durable goods manufacturing companies (3%). Table 54 presents the 1985 average percentage change in total compensation for each of the eight senior financial management positions studied for bonus companies, as well as all companies combined.

Table 54

Senior Financial Management:
Average percentage increase in compensation *(1984-1985)*

	BONUS COMPANIES			ALL COMPANIES
	Average Base Salary	Average Bonus	Total Compensation	Total Compensation
Top Tax Executive	8%	19%	9%	8%
Top General Accounting Executive	8	19	8	8
Top Systems and Data Processing Executive	8	18	8	8
Top Budget Executive	8	26	9	9
Top Internal Audit Executive	–	24	8	8
Top Credit and Collection Executive	–	10	6	6
Corporate Risk Management Executive	–	13	6	6
Cash Management Executive	8	20	9	8

Comparison: Bonus and Nonbonus Companies

Of the senior financial management executives for whom compensation data were reported, 73% were eligible for bonus payments. A larger percentage of top systems and data processing executives (80%) were eligible for bonuses than were any of the other financial executives studied. The percentages of both the bonus-eligible top budget executives and cash management executives (65%) were the lowest of all the senior financial management positions. Over the past five years, the survey results have indicated a trend towards increased participation by senior financial executives in annual incentive plans. In fact, the rate of senior financial management executives increased from 59% in 1981 to 73% in the current study.

On average, bonus payments to senior financial management executives for 1985 performance equaled 20% of base salary, compared to 1984's reported bonus/base salary ratio of 23%. Both the top tax executives and the top systems and data processing executives reported the highest bonus/base salary ratio (22%), while the top general accounting executives, top credit and collection executives, and cash management executives had the lowest ratio (17%). Table 55 presents the bonus-to-base salary ratio for each of the senior financial management positions studied for both 1985 and 1984.

Table 55

Senior Financial Management:
Bonus (where paid) as a percentage of base salary

	1985	1984
Top Tax Executive	22%	24%
Top General Accounting Executive	17	18
Top Systems and Data Processing Executive	22	22
Top Budget Executive	19	20
Top Internal Audit Executive	19	20
Top Credit and Collection Executive	17	19
Corporate Risk Management Executive	18	20
Cash Management Executive	17	19

As with the CEO and top executive positions, compensation levels were higher for senior financial management executives in bonus-paying companies. Overall, bonus companies paid base salaries that were 28% higher than those paid by nonbonus companies. When bonuses were added to base salaries, average total compensation for senior financial management executives in bonus companies was 51% higher than in nonbonus companies. The greatest differential in average total compensation was reported for top tax executives in bonus companies, who were paid an average of 70% more than their counterparts in nonbonus companies. The smallest differential, 37%, was reported for both the top general accounting and corporate risk management executives. Table 56 presents a comparison of average total compensation levels for senior financial management executives in bonus and nonbonus companies.

Table 56

Senior Financial Management:

Comparison of average total compensation

(Bonus to nonbonus companies)

	INDEX
	(Nonbonus = 1.00)
Top Tax Executive	1.70
Top General Accounting Executive	1.37
Top Systems and Data Processing Executive	1.45
Top Budget Executive	1.40
Top Internal Audit Executive	1.44
Top Credit and Collection Executive	1.47
Corporate Risk Management Executive	1.37
Cash Management Executive	1.44

Comparisons Among Positions

Of the eight senior financial management positions studied, the highest level of total compensation was reported for the position of top systems and data processing executive. Average total pay for that position was approximately 2% higher than for the next highest paying position — top tax executive. The top credit and collection executive position received the lowest average total pay, 31% below that of the top systems and data processing executive position.

It is sometimes useful to compare the average total compensation of senior financial management executives to that of the top financial officer; this illustrates the pay relationships among the various senior financial management executives. This comparison is made for each of the industry groups in Table 57. Top tax executives generally received the highest average compensation compared to that of the other senior financial executives — ranging between 50% and 54% of the top financial officers' compensation. The top systems and data processing executives were not far behind in average compensation levels. In fact, this position received the highest average compensation in the senior financial management group of the financial services industries — 71% of the top financial officer's compensation.

In general, the ratio of senior financial management total compensation to that of the top financial officer is higher in smaller companies than in larger companies. This is because compensation for the top financial officer is more closely tied to company size than is compensation for other senior financial executives. As company size increases, top financial officer compensation increases accordingly, and the ratio declines.

Table 57

Senior Financial Management:
Compensation as a percentage of top financial officer's compensation *(top financial officer's compensation = 100%)*

	Durable Goods Manufacturing Group	Nondurable Goods Manufacturing Group	Nonmanufacturing Group	Financial Services Group
Top Tax Executive	50%	52%	53%	54%
Top General Accounting Executive	38	36	41	42
Top Systems and Data Processing Executive	48	48	51	71
Top Budget Executive	40	37	39	40
Top Internal Audit Executive	43	40	43	49
Top Credit and Collection Executive	33	31	36	35
Corporate Risk Management Executive	40	38	40	44
Cash Management Executive	36	37	35	52

Comparison by Region

Regional analyses of the compensation data are presented in index form for each of the industry groups in Tables 58 through 61. From a regional standpoint, senior financial executives headquartered in the Northeast and the West averaged the highest total compensation.

Additional data by industry are presented in Tables 62 through 373.

Table 58

Senior Financial Management — Durable Goods Manufacturing Group:
Regional analysis of total compensation *(Average for each size category = 1.00)*

SALES VOLUME	Northeast	Southeast	North Central	South Central	West
Under $50 Million	.76	*	.80	1.48	.98
$50-100	1.17	.94	.90	*	1.01
$100-200	1.07	.92	.95	.79	.99
$200-500	1.09	.93	.90	.92	1.13
$500-1 Billion	1.00	*	1.07	.91	.89
$1-5	1.00	.91	1.03	1.07	.86
Over $5 Billion	1.17	*	.82	*	.93

Table 59

Senior Financial Management — Nondurable Goods Manufacturing Group:
Regional analysis of total compensation *(Average for each size category = 1.00)*

SALES VOLUME	Northeast	Southeast	North Central	South Central	West
Under $50 Million	.89	*	1.16	*	*
$50-100	1.01	*	.90	1.27	*
$100-200	1.03	*	.91	.86	*
$200-500	1.04	.81	1.02	.95	.99
$500-1 Billion	1.00	.92	1.02	.97	1.11
$1-5	1.08	.84	1.01	.69	1.12
Over $5 Billion	.99	1.28	.76	1.18	.74

* *Insufficient data*

Table 60

Senior Financial Management — Nonmanufacturing Group:

Regional analysis of total compensation *(Average for each size category = 1.00)*

SALES VOLUME	Northeast	Southeast	North Central	South Central	West
Under $50 Million	.67	*	1.37	1.36	.89
$50-100	*	.80	1.26	.94	1.08
$100-200	.95	.85	.87	1.29	1.14
$200-500	1.08	1.10	.86	.89	1.10
$500-1 Billion	1.00	.97	.95	1.01	1.09
$1-5	1.08	.96	.96	.99	.92
Over $5 Billion	1.24	*	.83	.93	1.01

Table 61

Senior Financial Management — Financial Services Group:

Regional analysis of total compensation *(Average for each size category = 1.00)*

ASSETS	Northeast	Southeast	North Central	South Central	West
Under $50 Million	*	.97	*	*	*
$50-100	*	*	1.06	*	*
$100-200	*	*	1.29	*	*
$200-500	1.09	.82	.78	1.07	*
$500-1 Billion	.97	1.01	1.03	.96	*
$1-5	1.09	.91	.94	1.07	.96
Over $5 Billion	1.11	.90	.87	.97	.88

* *Insufficient data*

Industry Group and Industry Tables

This section contains tables comparing average compensation levels in bonus and all companies combined of various sizes. Also presented are the percentage of bonus-paying companies, the average ratio of bonus to base salary, and the number of companies reporting. (Note: The number of companies reporting is presented in the industry group tables only.)

For each industry group, data are presented for each of the 22 positions studied. Data for the 24 specific industries are presented for the CEO and top executive group. These specific industry compensation tables appear, in alphabetical order, directly following the data for the major industry group in which they belong, as follows:

Manufacturing Companies — Durable Goods

Basic Materials
Computers and Related Office Equipment
Electrical and Electronic Equipment/ Instruments
Machinery
Metals Processing and Fabricating

Manufacturing Companies — Nondurable Goods

Chemicals
Food Products and Tobacco
Nondurable Consumer Goods
Paper Products
Petroleum
Publishing

Nonmanufacturing Companies

Business and Professional Services
Communications
Construction and Contracting
Mining and Energy Extraction
Retail Sales
Transportation
Utilities
Wholesale Trade

Financial Services Companies

Banking (Commercial)
Banking (Thrift Institutions)
Diversified Financial Services
Insurance (Life)
Insurance (Property and Casualty)

In some instances, there were too few companies in a sales or assets range for reporting purposes. Thus, no data are reported for that range. However, the compensation data for companies in these sales or assets ranges are included in the "all levels" figures.

In addition, if sufficient data were not available for a given position, that table was omitted from this report.

Manufacturing Group—Durable Goods

Table 62

Chief Executive Officer

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $50 Million	$124,400	$27,700	$152,100	$150,100	$133,400	$130,500
$50-100	148,200	35,500	183,700	181,300	159,000	160,100
$100-200	201,400	68,400	269,800	264,300	211,400	210,100
$200-500	237,200	93,100	330,300	328,500	254,000	254,500
$500-1 Billion	313,900	116,000	429,900	429,900	334,200	334,200
$1-5	423,200	193,700	616,900	593,800	451,900	439,800
Over $5 Billion	579,200	477,000	1,056,200	1,056,200	588,000	588,000
All Levels	239,700	93,800	333,500	326,400	257,600	254,500

Companies reporting: 234
Percentage bonus-eligible executives: 95
Average bonus as a percentage of base salary: 48

Table 63

Chief Operating Officer

Under $50 Million	$124,200	$35,700	$159,900	$157,600	$132,400	$129,100
$50-100	114,700	28,000	142,700	139,500	121,400	125,200
$100-200	147,000	36,000	184,200	183,900	150,800	152,700
$200-500	180,600	71,800	252,400	251,100	182,700	180,700
$500-1 Billion	233,400	88,800	322,200	322,200	241,900	241,900
$1-5	279,500	114,700	394,200	392,000	297,800	300,100
Over $5 Billion	*	*	*	*	437,300	437,300
All Levels	186,000	68,900	254,900	251,800	199,500	197,800

Companies reporting: 124
Percentage bonus-eligible executives: 95
Average bonus as a percentage of base salary: 42

Table 64

Top Financial Officer

Under $50 Million	$74,500	$10,500	$84,000	$84,400	$71,800	$75,400
$50-100	81,700	19,100	100,800	99,800	85,700	86,700
$100-200	108,500	24,400	132,900	131,900	114,800	114,200
$200-500	126,700	41,700	168,400	167,500	135,400	135,800
$500-1 Billion	146,100	40,900	187,000	187,000	155,400	155,400
$1-5	199,700	65,600	265,300	265,300	205,600	205,600
Over $5 Billion	235,600	154,300	389,900	389,900	250,700	250,700
All Levels	123,500	35,900	159,400	156,800	129,100	128,100

Companies reporting: 212
Percentage bonus-eligible executives: 80
Average bonus as a percentage of base salary: 35

† *Annual rate as of April 1986* * *Insufficient data*

Table 65

Top Marketing Executive

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $50 Million	$68,400	$11,400	$79,800	$79,800	$69,500	$69,500
$50-100	72,800	12,800	85,600	88,700	76,500	83,500
$100-200	81,400	21,300	102,700	102,700	88,200	88,200
$200-500	93,200	14,000	107,200	108,000	98,800	100,500
$500-1 Billion	107,700	19,800	127,500	127,500	111,400	111,400
$1-5	139,700	38,400	178,100	178,100	149,600	152,800
All Levels	88,500	19,900	108,400	108,300	91,600	93,300

Companies reporting 104
Percentage bonus-eligible executives 90
Average bonus as a percentage of base salary 20

Table 66

Top Sales Executive

Under $50 Million	$60,800	$10,100	$70,900	$71,800	$62,300	$64,600
$50-100	65,700	13,600	79,300	79,300	68,900	68,000
$100-200	76,900	15,200	92,100	92,100	80,300	80,300
$200-500	82,600	11,500	94,100	97,200	90,100	94,100
$500-1 Billion	113,900	31,600	145,500	145,500	112,100	112,100
$1-5	148,900	38,200	187,100	187,100	144,300	139,800
All Levels	81,900	16,300	98,200	98,300	85,000	85,800

Companies reporting 102
Percentage bonus-eligible executives 95
Average bonus as a percentage of base salary 20

Table 67

Top Manufacturing Executive

Under $50 Million	$63,400	$10,900	$74,300	$73,200	$66,000	$65,000
$50-100	68,400	13,400	81,800	82,500	71,200	74,900
$100-200	98,100	20,700	118,800	118,900	101,800	101,800-
$200-500	107,300	15,300	122,600	121,100	108,000	108,600
$500-1 Billion	120,400	44,400	164,800	164,900	127,200	127,200
$1-5	144,100	44,100	188,200	184,800	149,100	153,200
All Levels	92,600	20,800	113,400	111,400	96,600	97,000

Companies reporting 133
Percentage bonus-eligible executives 92
Average bonus as a percentage of base salary 22

† Annual rate as of April 1986

Table 68

Top Human Resources Executive

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $50 Million	$44,800	$6,900	$51,700	$52,600	$47,400	$46,000
$50-100	52,700	7,700	60,400	59,500	56,300	56,600
$100-200	70,000	12,700	82,700	82,100	73,500	73,400
$200-500	76,500	17,100	93,600	93,400	81,800	81,800
$500-1 Billion	93,000	25,700	118,700	116,100	97,800	96,500
$1-5	116,800	35,300	152,100	151,000	119,000	121,800
Over $5 Billion	*	*	*	*	184,800	184,800
All Levels	**80,200**	**19,900**	**100,100**	**97,900**	**85,000**	**83,800**

Companies reporting: 175
Percentage bonus-eligible executives: 93
Average bonus as a percentage of base salary: 29

Table 69

Top Strategic Planning Executive

Under $50 Million	*	*	*	$80,900	*	$69,000
$50-100	*	*	*	82,400	$74,900	78,000
$100-200	$89,600	$8,100	$97,700	97,700	86,000	86,000
$200-500	90,000	22,500	112,500	101,400	97,800	90,400
$500-1 Billion	99,100	17,900	117,000	112,500	99,000	96,400
$1-5	112,300	38,400	150,700	150,800	117,500	117,500
Over $5 Billion	160,900	93,300	260,200	260,200	170,200	170,200
All Levels	**102,600**	**27,500**	**130,100**	**123,900**	**104,400**	**101,300**

Companies reporting: 73
Percentage bonus-eligible executives: 90
Average bonus as a percentage of base salary: 31

Table 70

Top Legal Executive

$50-100 Million	$73,200	$11,000	$84,200	$83,200	$79,200	$80,700
$100-200	82,500	9,600	92,100	92,100	88,200	88,200
$200-500	83,600	16,700	100,300	99,300	90,000	89,800
$500-1 Billion	108,500	27,800	136,300	136,300	113,300	113,300
$1-5	138,200	37,700	175,900	173,500	143,800	142,500
Over $5 Billion	193,100	119,700	312,800	312,800	200,300	200,300
All Levels	**110,100**	**28,800**	**138,900**	**136,600**	**115,500**	**114,300**

Companies reporting: 127
Percentage bonus-eligible executives: 90
Average bonus as a percentage of base salary: 31

† Annual rate as of April 1986 ** Insufficient data*

Table 71

Top International Executive

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $50 Million	$140,100	$10,400	$150,500	$126,200	$71,900	$69,600
$50-100	57,200	7,600	64,800	60,400	56,000	53,700
$100-200	82,500	13,300	95,800	95,800	91,000	91,000
$200-500	91,600	24,700	116,300	115,600	101,400	100,100
$500-1 Billion	94,800	21,500	116,300	110,600	101,300	97,300
$1-5	152,400	36,500	188,900	184,800	165,900	164,800
All Levels	108,700	26,600	135,300	129,800	110,900	107,800

Companies reporting: 76
Percentage bonus-eligible executives: 92
Average bonus as a percentage of base salary: 29

Table 72

Controller

Under $50 Million	$51,300	$3,200	$54,500	$52,600	$49,100	$48,600
$50-100	52,700	6,500	59,200	58,500	54,200	54,300
$100-200	66,000	12,800	78,800	76,900	70,300	69,500
$200-500	77,900	17,000	94,900	94,600	81,700	81,700
$500-1 Billion	87,200	17,100	104,300	104,300	92,700	92,700
$1-5	111,600	31,500	143,100	143,100	117,400	117,200
Over $5 Billion	140,600	68,700	209,300	209,300	147,100	147,100
All Levels	79,300	17,900	97,200	94,200	82,500	80,700

Companies reporting: 192
Percentage bonus-eligible executives: 93
Average bonus as a percentage of base salary: 28

Table 73

Treasurer

Under $50 Million	$49,400	$15,400	$64,800	$63,000	$62,500	$61,700
$50-100	67,900	11,800	79,700	79,600	71,400	71,400
$100-200	67,900	12,000	79,900	79,900	74,200	74,200
$200-500	78,600	16,200	94,800	93,400	80,700	79,100
$500-1 Billion	87,200	17,200	104,400	104,400	91,500	91,500
$1-5	106,500	30,600	137,100	136,900	111,300	112,700
Over $5 Billion	135,100	59,400	194,500	194,500	133,800	133,800
All Levels	85,900	20,900	106,800	106,100	91,000	90,800

Companies reporting: 124
Percentage bonus-eligible executives: 98
Average bonus as a percentage of base salary: 30

† Annual rate as of April 1986

Table 74

Top Administrative Executive

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
$100-200 Million	*	*	*	*	*	$111,000
$200-500	$91,800	$31,200	$123,000	$125,000	$99,700	$99,700
$500-1 Billion	*	*	*	*	*	*
$1-5	173,000	71,900	245,500	245,500	171,000	170,000
All Levels	**118,000**	**36,700**	**154,700**	**154,700**	**122,400**	**120,500**

Companies reporting: 20
Percentage bonus-eligible executives: 100
Average bonus as a percentage of base salary: 31

Table 75

Top Engineering Executive

Under $50 Million	$63,000	$5,500	$68,900	$67,200	$80,400	$65,700
$50-100	69,700	17,600	87,300	91,200	70,400	78,900
$100-200	71,000	15,900	86,900	86,900	75,900	75,300
$200-500	86,400	15,500	101,900	101,800	90,700	87,800
$500-1 Billion	118,900	52,100	171,000	171,000	119,200	119,200
$1-5	114,800	35,500	150,300	142,800	127,100	126,900
All Levels	**86,400**	**22,200**	**108,600**	**105,600**	**91,500**	**90,900**

Companies reporting: 67
Percentage bonus-eligible executives: 91
Average bonus as a percentage of base salary: 31

Table 76

Top Tax Executive

Under $100 Million	$46,900	$11,800	$58,700	$53,200	$50,500	$49,100
$100-200	54,400	3,700	58,100	55,000	58,000	54,200
$200-500	55,700	7,600	63,300	59,800	58,400	56,000
$500-1 Billion	68,400	10,300	78,700	76,500	72,500	70,800
$1-5	89,300	19,500	108,800	107,300	94,900	94,000
Over $5 Billion	112,700	39,300	152,000	151,900	118,800	118,800
All Levels	**70,500**	**13,000**	**83,500**	**78,400**	**71,900**	**70,900**

Companies reporting: 128
Percentage bonus-eligible executives: 84
Average bonus as a percentage of base salary: 21

† Annual rate as of April 1986 * Insufficient data

Table 77

Top General Accounting Executive

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $50 Million	$37,600	$700	$38,300	$40,100	*	$41,700
$50-100	42,000	2,200	44,200	44,800	$44,500	45,900
$100-200	45,800	3,500	49,300	48,100	47,500	45,800
$200-500	52,000	7,400	59,400	58,200	54,800	56,100
$500-1 Billion	61,200	8,100	69,300	66,500	62,700	59,200
$1-5	66,300	9,100	75,400	73,800	71,000	71,000
Over $5 Billion	87,100	29,600	116,700	116,700	88,700	88,700
All Levels	54,800	7,300	62,100	59,400	58,300	56,700

Companies reporting: 107
Percentage bonus-eligible executives: 83
Average bonus as a percentage of base salary: 17

Table 78

Top Systems and Data Processing Executive

Under $50 Million	$49,600	$2,100	$51,700	$50,400	$44,900	$46,000
$50-100	51,300	6,200	57,500	56,700	54,000	54,300
$100-200	57,400	6,200	63,600	61,800	60,600	59,500
$200-500	64,900	10,000	74,900	73,400	66,700	66,200
$500-1 Billion	75,400	13,200	88,600	88,600	78,900	76,500
$1-5	90,600	17,100	107,700	105,200	94,400	94,000
All Levels	67,900	10,700	78,600	75,800	70,200	68,600

Companies reporting: 158
Percentage bonus-eligible executives: 87
Average bonus as a percentage of base salary: 20

Table 79

Top Budget Executive

Under $100 Million	*	*†	*	$57,500	$54,400	$50,900
$100-200	$44,000	$2,700	$46,700	45,800	48,200	46,800
$200-500	45,800	4,500	50,300	52,300	49,200	50,300
$500-1 Billion	62,200	8,400	70,600	67,400	64,300	62,900
$1-5	78,000	20,700	98,700	92,500	82,400	79,300
All Levels	56,700	9,900	66,600	63,100	61,000	58,900

Companies reporting: 49
Percentage bonus-eligible executives: 80
Average bonus as a percentage of base salary: 19

† *Annual rate as of April 1986* * *Insufficient data*

Table 80

Top Internal Audit Executive

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
$100-200 Million	$45,800	$2,400	$48,200	$47,200	$48,200	$47,500
$200-500	53,000	5,500	58,500	55,700	55,400	53,700
$500-1 Billion	53,900	5,700	59,600	58,400	60,500	54,500
$1-5	77,000	14,100	91,100	90,100	79,900	79,300
Over $5 Billion	90,900	22,400	113,300	113,300	93,400	93,400
All Levels	62,400	8,800	71,200	67,500	65,200	62,100

Companies reporting: 102
Percentage bonus-eligible executives: 80
Average bonus as a percentage of base salary: 18

Table 81

Top Credit and Collection Executive

Under $50 Million	$33,000	$500	$33,500	$30,200	$33,500	$31,300
$50-100	31,000	1,900	32,900	31,400	34,100	32,900
$100-200	37,300	2,100	39,400	39,600	39,900	39,700
$200-500	51,100	5,500	56,600	53,500	53,900	52,300
$500-1 Billion	51,900	6,600	58,500	54,600	54,000	53,500
$1-5	70,300	11,900	82,200	80,700	75,100	74,600
All Levels	49,800	6,000	55,800	51,200	53,100	49,700

Companies reporting: 84
Percentage bonus-eligible executives: 70
Average bonus as a percentage of base salary: 17

Table 82

Corporate Risk Management Executive

$100-200 Million	$43,600	$2,000	$45,600	$45,200	$45,300	$45,000
$200-500	49,700	7,800	57,500	50,800	50,400	47,300
$500-1 Billion	52,800	6,500	59,300	56,200	54,400	53,000
$1-5	63,800	9,100	72,900	72,500	67,200	68,200
Over $5 Billion	73,100	19,000	92,100	92,100	74,300	74,300
All Levels	58,000	8,400	66,400	62,600	59,500	57,600

Companies reporting: 70
Percentage bonus-eligible executives: 79
Average bonus as a percentage of base salary: 20

† *Annual rate as of April 1986*

Table 83

Cash Management Executive

	1985				1986†	
	BONUS COMPANIES			ALL COMPANIES	SALARIES	
SALES VOLUME	Average Base Salary	Average Bonus	Total Compensation	Total Compensation	Bonus Companies	All Companies
Companies reporting						
$100-200 Million	*	*	*	$50,500	*	$53,900
Percentage bonus eligible executives						
$200-500	$46,000	$5,500	$51,500	49,100	$49,000	45,700
Average bonus as a percentage of base salary						
$500-1 Billion	53,200	8,000	61,800	57,200	55,000	52,100
$1-5	59,000	6,500	66,100	60,400	60,800	57,100
All Levels	**55,600**	**6,300**	**61,900**	**56,500**	**57,200**	**53,300**

† *Annual rate as of April 1986* * *Insufficient data*

Basic Materials

Table 84

Chief Executive Officer

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	1985 BONUS COMPANIES Average Bonus	1985 BONUS COMPANIES Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	1986† SALARIES All Companies
Under $100 Million	$106,400	$48,000	$154,400	$151,500	$114,800	$118,700
$100-500	230,200	65,300	295,500	295,400	244,300	244,300
Over $500 Million	389,400	174,000	563,400	563,400	414,300	414,300
All Levels	234,600	87,500	322,100	315,400	249,600	246,300

Percentage bonus-eligible executives: 97

Average bonus as a percentage of base salary: 51

Table 85

Chief Operating Officer

Under $100 Million	*	*	*	$121,600	*	$103,100
$100-500	$181,900	$57,600	$239,500	239,400	$187,100	187,100
Over $500 Million	262,600	99,200	361,800	361,800	277,600	277,600
All Levels	185,100	64,800	249,900	240,800	194,400	189,100

Percentage bonus-eligible executives: 94

Average bonus as a percentage of base salary: 45

Table 86

Top Financial Officer

Under $100 Million	$74,400	$15,300	$89,700	$90,500	$83,000	$87,400
$100-500	125,200	31,800	157,000	157,000	125,100	125,100
Over $500 Million	181,900	69,200	251,100	251,100	191,000	191,000
All Levels	124,600	36,300	160,900	158,300	131,200	130,300

Percentage bonus-eligible executives: 90

Average bonus as a percentage of base salary: 35

Table 87

Top Marketing Executive

Under $100 Million	*	*	*	$60,000	*	$57,600
$100-500	$89,700	$15,700	$105,400	105,500	$93,000	93,000
All Levels	89,400	14,000	103,400	100,100	83,900	82,100

Percentage bonus-eligible executives: 93

Average bonus as a percentage of base salary: 20

† Annual rate as of April 1986 ** Insufficient data*

Table 88

Top Sales Executive

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $100 Million	$52,100	$19,300	$71,400	$71,400	$53,800	$53,800
All Levels	76,900	14,500	91,400	91,400	65,100	65,100

Percentage bonus-eligible executives: 100

Average bonus as a percentage of base salary: *

Table 89

Top Manufacturing Executive

Under $100 Million	$55,500	$21,300	$76,800	$74,000	$57,100	$58,000
$100-500	117,700	13,200	130,900	130,900	125,400	125,400
All Levels	95,000	18,800	113,800	110,000	90,800	89,000

Percentage bonus-eligible executives: 93

Average bonus as a percentage of base salary: 45

Table 90

Top Human Resources Executive

$100-500 Million	$76,200	$18,500	$94,700	$94,800	$80,700	$80,700
Over $500 Million	107,000	34,300	141,300	141,400	112,400	112,400
All Levels	80,000	22,900	102,900	100,100	86,700	84,600

Percentage bonus-eligible executives: 95

Average bonus as a percentage of base salary: 37

Table 91

Top Legal Executive

$100-500 Million	$85,400	$12,200	$97,600	$97,600	$90,700	$90,700
Over $500 Million	139,700	46,200	185,900	185,900	146,600	146,600
All Levels	105,900	26,300	132,200	132,200	111,700	111,700

Percentage bonus-eligible executives: 100

Average bonus as a percentage of base salary: 27

† *Annual rate as of April 1986* * *Insufficient data*

Table 92

Controller

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Percentage bonus-eligible executives: 100						
$100-500 Million	$72,500	$17,200	$89,500	$89,500	$75,700	$75,700
Over $500 Million	92,600	24,100	116,700	116,700	93,200	93,200
Average bonus as a percentage of base salary: 28						
All Levels	75,000	17,900	92,900	92,900	76,600	74,500

Table 93

Treasurer

Percentage bonus-eligible executives: 100						
$100-500 Million	$75,100	59,400	$82,500	$82,500	$72,900	$72,900
Over $500 Million	107,300	33,900	141,200	141,200	113,400	113,400
Average bonus as a percentage of base salary: 34						
All Levels	88,000	24,500	112,500	112,500	91,900	91,900

† *Annual rate as of April 1986*

Computers and Related Office Equipment

Table 94

Chief Executive Officer

Percentage bonus-eligible executives: 85

Average bonus as a percentage of base salary: 20

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $100 Million	*	*	*	$140,700	*	*
$100-500	$245,800	$95,100	$340,900	302,600	$274,400	$260,400
Over $500 Million	418,000	280,800	698,800	698,800	452,800	452,800
All Levels	270,200	137,000	407,200	367,700	304,400	285,100

Table 95

Top Financial Officer

Percentage bonus-eligible executives: 82

Average bonus as a percentage of base salary: 38

Under $100 Million	*	*	*	$101,100	*	*
$100-500	$115,500	$9,000	$124,900	126,500	$123,400	$126,400
Over $500 Million	168,800	84,100	252,900	252,900	180,500	180,500
All Levels	129,400	38,300	167,700	156,100	139,800	134,500

Table 96

Top Marketing Executive

Percentage bonus-eligible executives: 90

Average bonus as a percentage of base salary: 27

$100-500 Million	$100,600	$12,500	$113,500	$115,400	$106,500	$110,400
All Levels	110,600	24,200	134,800	133,800	114,100	116,000

Table 97

Top Sales Executive

Percentage bonus-eligible executives: 80

Average bonus as a percentage of base salary: 55

$100-500 Million	$97,400	$16,200	$113,600	$119,400	$108,000	$113,800
All Levels	122,100	40,100	162,200	152,000	129,800	127,300

† *Annual rate as of April 1986* * *Insufficient data*

Table 98

Top Manufacturing Executive

Percentage bonus-eligible executives: 88

Average bonus as a percentage of base salary: 22

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	1985 BONUS COMPANIES Average Bonus	1985 BONUS COMPANIES Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	1986† SALARIES All Companies
$100-500 Million	$109,300	$7,400	$116,700	$117,200	$115,600	$117,400
All Levels	107,800	12,700	120,500	117,600	112,900	112,300

Table 99

Top Human Resources Executive

Percentage bonus-eligible executives: 95

Average bonus as a percentage of base salary: 27

$100-500 Million	$79,100	$10,300	$89,400	$88,900	$82,700	$83,000
Over $500 Million	*	*	*	*	128,600	128,600
All Levels	90,900	22,200	113,100	111,100	95,700	95,800

Table 100

Top Legal Executive

Percentage bonus-eligible executives: 85

Average bonus as a percentage of base salary: 33

$100-500 Million	$81,500	$5,500	$87,000	$84,000	$89,300	$86,200
Over $500 Million	133,200	54,100	187,300	187,300	138,500	138,500
All Levels	107,400	29,800	137,200	126,000	111,600	105,200

Table 101

Treasurer

Percentage bonus-eligible executives: 100

Average bonus as a percentage of base salary: 28

$100-500 Million	$74,500	$7,600	$81,900	$81,900	$77,500	$77,500
All Levels	87,300	18,400	105,700	105,700	91,200	91,200

† *Annual rate as of April 1986* * *Insufficient data*

Electrical and Electronic Equipment/Instruments

Table 102

Chief Executive Officer

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $50 Million	$122,400	$30,000	$152,400	$148,800	$152,700	$130,100
$50-100	154,000	42,500	196,500	193,500	162,500	160,100
$100-200	222,300	90,400	312,700	312,600	230,100	230,100
$200-500	254,500	102,000	356,500	356,300	204,000	204,000
$500-1 Billion	341,400	101,600	443,000	443,000	455,200	455,200
$1-5	412,300	238,300	650,600	658,000	457,500	458,800
All Levels	237,600	102,700	340,300	332,000	253,400	252,100

Percentage bonus eligible executives '85

Average bonus as a percentage of base salary '86

Table 103

Chief Operating Officer

Under $50 Million	$147,500	$68,400	$215,800	$216,300	$147,200	$141,600
$50-100	*	*	*	*	*	121,000
$100-200	148,800	57,200	198,000	200,000	158,000	158,000
$200-500	187,700	75,300	264,000	265,000	195,400	195,400
$500-1 Billion	240,500	94,800	335,100	335,100	258,500	258,500
$1-5	*	*	*	405,200	292,100	300,300
All Levels	178,500	64,200	242,500	242,000	189,600	189,300

Percentage bonus eligible executives '86

Average bonus as a percentage of base salary '85

Table 104

Top Financial Officer

Under $50 Million	$85,000	$13,000	$98,000	$98,200	$72,900	$74,400
$50-100	85,500	23,500	109,000	114,000	87,200	88,200
$100-200	110,200	29,200	139,400	139,400	117,000	117,000
$200-500	132,400	35,100	167,500	167,000	135,200	135,200
$500-1 Billion	156,000	33,200	189,800	189,800	165,000	165,000
$1-5	180,400	74,000	255,000	254,800	200,500	200,500
All Levels	119,400	34,200	153,600	152,000	122,700	122,200

Percentage bonus eligible executives '88

Average bonus as a percentage of base salary '86

† *Annual rate as of April 1986* * *Insufficient data*

Top Marketing Executive

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $50 Million	$64,000	$11,000	$75,000	$74,000	$64,700	$64,700
$50-100	74,200	14,000	88,500	85,600	78,600	88,500
$100-200	80,400	25,200	105,600	105,600	80,000	80,000
$200-500	100,700	10,100	110,800	110,800	*	*
Over $500 Million	140,300	47,800	188,100	189,100	154,000	154,000
All Levels	88,700	21,000	110,500	110,700	93,000	94,500

Top Sales Executive

Under $50 Million	$66,500	$9,000	$75,000	$75,500	$69,200	$69,200
$50-100	84,000	21,700	88,000	88,700	73,700	73,700
$100-200	85,100	22,100	107,200	107,200	89,100	88,200
$200-500	82,700	11,400	94,100	93,900	86,100	91,400
All Levels	77,000	15,000	93,200	93,200	81,000	82,100

Top Manufacturing Executive

Under $50 Million	$65,900	$12,000	$76,700	$75,800	$69,500	$64,200
$50-100	71,500	10,000	80,500	87,000	78,400	77,500
$100-200	108,200	19,000	127,200	127,100	111,500	111,500
$200-500	98,900	16,700	115,000	111,900	100,500	100,000
Over $500 Million	117,000	28,000	145,000	145,000	155,800	155,800
All Levels	90,000	18,000	108,000	105,500	95,000	95,000

† *Annual rate as of April 1986* * *Insufficient data*

Table 109

Top Human Resources Executive

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $50 Million	*	*	*	$55,800	*	$44,900
$50-100	$49,100	$10,000	$59,100	59,000	$54,100	55,800
$100-200	69,500	14,500	83,000	85,000	74,400	74,400
$200-500	81,200	18,200	99,400	99,400	84,500	84,500
$500-1 Billion	90,800	18,000	114,800	114,800	102,500	102,500
$1-5	139,000	19,200	158,200	158,200	116,100	116,100
All Levels	78,800	20,300	99,100	95,300	83,200	80,100

Table 110

Top Strategic Planning Executive

$100-200 Million	$105,100	$13,700	$118,800	$118,800	$102,000	$102,000
$200-500	*	*	*	*	*	*
Over $500 Million	130,400	37,000	145,400	135,000	112,500	106,700
All Levels	107,500	24,800	132,300	126,000	106,700	104,300

Table 111

Top Legal Executive

$100-200 Million	$76,100	$5,400	$81,500	$81,500	$80,200	$80,200
$200-500	81,700	19,300	101,000	101,200	88,400	89,900
$500-1 Billion	118,100	20,100	138,200	138,100	123,500	123,500
$1-5	130,700	38,500	169,200	169,200	138,100	138,100
All Levels	108,900	27,400	136,300	134,200	115,700	112,900

† *Annual rate as of April 1986* * *Insufficient data*

Table 111

Top International Executive

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $100 Million	*	*	*	$75,500	$62,500	$59,900
$100-200	$93,500	$21,100	$114,600	114,600	100,900	100,900
$200-500	95,700	22,500	118,200	118,200	90,200	90,200
$500-1 Billion	100,200	20,100	120,300	110,700	107,900	100,600
All Levels	**110,800**	**35,000**	**145,800**	**136,800**	**113,700**	**108,000**

Percentage bonus-eligible executives: 90

Average bonus as a percentage of base salary: 31

Table 112

Controller

SALES VOLUME	Average Base Salary	Average Bonus	Total Compensation	Total Compensation	Bonus Companies	All Companies
Under $50 Million	$58,200	$3,300	$61,500	$59,000	$50,100	$51,400
$50-100	57,400	8,000	65,400	65,400	58,200	57,500
$100-200	70,700	12,500	83,200	83,200	75,300	75,300
$200-500	83,200	18,000	101,200	101,200	87,500	87,500
$500-1 Billion	91,300	18,400	109,700	109,700	96,200	96,200
$1-5	116,000	41,200	157,200	157,300	118,400	118,400
All Levels	**80,200**	**18,600**	**98,800**	**96,100**	**82,500**	**81,100**

Percentage bonus-eligible executives: 95

Average bonus as a percentage of base salary: 28

Table 113

Treasurer

SALES VOLUME	Average Base Salary	Average Bonus	Total Compensation	Total Compensation	Bonus Companies	All Companies
Under $100 Million	$54,000	$7,400	$62,000	$60,800	$67,100	$65,800
$100-200	62,500	9,000	71,500	71,600	70,600	70,600
$200-500	74,800	16,900	91,700	91,700	77,000	74,800
$500-1 Billion	95,100	15,200	110,300	110,300	97,900	97,900
$1-5	101,000	33,500	134,500	134,500	108,800	108,800
All Levels	**81,900**	**21,000**	**102,900**	**101,800**	**87,600**	**86,300**

Percentage bonus-eligible executives: 98

Average bonus as a percentage of base salary: 30

† *Annual rate as of April 1986* * *Insufficient data*

Table 114

Top Engineering Executive

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $50 Million	$63,600	$6,900	$70,500	$69,300	$67,100	$65,300
$50-100	*	*	*	103,900	72,000	85,300
$100-200	75,100	16,300	91,400	91,400	82,900	82,900
Over $200 Million	90,400	23,200	113,600	113,500	103,300	103,300
All Levels	75,700	16,600	92,300	92,000	82,400	83,600

Percentage bonus eligible executives 90

Average bonus as a percentage of base salary 27

† *Annual rate as of April 1986* * *Insufficient data*

Machinery

Table 115

Chief Executive Officer

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $100 Million	$125,800	$19,400	$145,200	$145,200	$135,200	$128,000
$100-200	171,400	51,300	222,700	222,700	185,900	185,900
$200-500	215,800	77,100	292,900	292,900	238,300	238,300
$500-1 Billion	320,200	148,800	469,000	469,000	348,100	348,100
$1-5	436,700	143,900	580,600	580,600	485,000	401,900
All Levels	231,000	86,100	317,100	317,100	256,400	253,400

Percentage bonus-eligible executives: 100

Average bonus as a percentage of base salary: 40

Table 116

Chief Operating Officer

Under $100 Million	$121,600	$21,000	$142,600	$142,600	$136,400	$129,800
$100-200	151,500	46,600	198,100	198,100	140,900	140,900
Over $200 Million	244,100	141,600	385,700	385,700	273,200	273,200
All Levels	183,900	81,200	265,100	265,100	208,500	204,300

Percentage bonus-eligible executives: 100

Average bonus as a percentage of base salary: 47

Table 117

Top Financial Officer

Under $100 Million	$68,600	$9,400	$78,000	$77,500	$71,900	$72,400
$100-200	100,700	18,100	118,800	118,800	108,100	108,100
$200-500	124,100	47,200	171,300	171,300	142,300	142,300
$500-1 Billion	146,200	51,000	197,200	197,200	160,800	160,800
$1-5	252,600	70,500	323,100	323,100	243,700	238,200
All Levels	127,000	40,400	167,400	165,500	137,500	137,700

Percentage bonus-eligible executives: 98

Average bonus as a percentage of base salary: 35

† *Annual rate as of April 1986*

Table 118

Top Marketing Executive

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $100 Million	$71,900	$11,400	$83,300	$83,300	$73,500	$73,500
$100-200	78,000	11,500	89,500	89,300	83,200	85,200
Over $200 Million	84,500	29,300	113,800	113,800	89,300	101,600
All Levels	77,100	15,800	92,900	92,900	80,100	84,100

Percentage bonus-eligible executives: 100

Average bonus as a percentage of base salary: 30

Table 119

Top Sales Executive

Under $100 Million	$54,200	$2,800	$57,000	$57,000	$55,200	$55,200
$100-200	68,700	7,900	76,600	76,600	70,600	70,600
Over $200 Million	94,000	19,700	113,700	113,700	99,100	99,200
All Levels	73,300	10,600	83,900	83,900	75,800	76,800

Percentage bonus-eligible executives: 100

Average bonus as a percentage of base salary: 29

Table 120

Top Manufacturing Executive

Under $100 Million	$58,500	$6,900	$65,400	$65,400	$59,900	$59,900
$100-200	81,000	16,800	97,800	97,900	82,400	82,400
Over $200 Million	127,200	48,300	175,500	172,900	127,300	135,000
All Levels	89,000	24,400	113,400	114,600	90,100	95,500

Percentage bonus-eligible executives: 90

Average bonus as a percentage of base salary: 36

Table 121

Top Human Resources Executive

Under $100 Million	$48,600	$5,100	$53,700	$53,700	$50,700	$50,700
$100-200	76,200	12,000	88,200	88,200	77,200	77,200
$200-500	67,000	19,900	86,900	86,900	76,700	76,700
$500-1 Billion	87,600	24,900	112,500	112,400	93,100	93,100
Over $1 Billion	143,300	38,200	181,500	177,700	143,100	147,300
All Levels	80,200	18,200	98,400	99,700	86,100	88,300

Percentage bonus-eligible executives: 98

Average bonus as a percentage of base salary: 27

† *Annual rate as of April 1986*

Table 122

Top Legal Executive

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
$100-200 Million	$88,900	$16,400	$105,300	$105,300	$94,200	$94,200
$200-500	90,900	25,100	116,000	115,900	98,000	98,000
$500-1 Billion	91,400	24,000	115,400	115,400	97,800	97,800
Over $1 Billion	140,300	52,400	198,700	188,500	150,100	150,400
All Levels	106,300	30,800	137,100	135,500	112,900	112,400

Percentage bonus-eligible executives: 97

Average bonus as a percentage of base salary: 35

Table 123

Controller

Under $100 Million	$44,000	$5,700	$48,500	$46,800	$48,700	$47,800
$100-200	68,500	12,700	74,000	71,700	66,100	64,800
$200-500	75,000	20,800	95,800	95,700	80,200	80,200
$500-1 Billion	85,400	18,800	104,200	104,200	92,500	92,500
Over $1 Billion	126,500	43,100	169,600	169,700	138,700	136,300
All Levels	79,600	20,800	100,400	96,800	85,500	83,700

Percentage bonus-eligible executives: 94

Average bonus as a percentage of base salary: 31

Table 124

Treasurer

$100-200 Million	$72,000	$15,000	$85,000	$85,000	$81,800	$81,800
$200-500	78,300	20,600	98,900	98,900	81,000	81,000
$500-1 Billion	79,100	21,000	100,100	100,100	80,300	80,300
Over $1 Billion	126,700	38,500	165,200	160,100	120,000	124,500
All Levels	85,200	21,700	106,900	107,700	91,700	94,100

Percentage bonus-eligible executives: 97

Average bonus as a percentage of base salary: 29

Table 125

Top Engineering Executive

Under $100 Million	$68,500	$6,900	$75,400	$71,300	$69,300	$67,400
$100-200	*	*	*	*	*	*
Over $200 Million	98,300	36,300	134,000	134,000	111,700	119,700
All Levels	86,700	26,100	112,800	108,800	92,500	94,900

Percentage bonus-eligible executives: 94

Average bonus as a percentage of base salary: 37

† Annual rate as of April 1986 ** Insufficient data*

Metals Processing and Fabricating

Table 126

Chief Executive Officer

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $100 Million	$159,600	$27,200	$186,800	$186,800	$171,000	$170,100
$100-200	190,600	64,300	254,900	241,300	207,200	203,500
$200-500	209,900	90,800	300,700	300,000	221,400	221,400
$500-1 Billion	248,200	89,200	337,400	337,400	206,700	206,700
Over $1 Billion	459,900	115,100	575,000	512,500	451,100	416,900
All Levels	247,800	72,000	319,800	313,600	257,100	254,000

Percentage bonus eligible executives: 93
Average bonus as a percentage of base salary: 30

Table 127

Chief Operating Officer

Under $100 Million	$116,800	$17,000	$133,800	$133,800	$120,500	$120,500
$100-200	*	*	*	*	*	*
Over $200 Million	253,200	100,800	354,000	354,100	268,000	268,000
All Levels	200,600	67,300	267,900	261,600	211,400	207,600

Percentage bonus eligible executives: 90
Average bonus as a percentage of base salary: 30

Table 128

Top Financial Officer

Under $100 Million	$86,500	$8,300	$74,800	$74,800	$72,000	$72,800
$100-200	*	*	*	151,800	*	114,300
$200-500	126,800	78,800	205,600	205,600	134,000	134,000
$500-1 Billion	125,000	41,000	167,200	167,200	132,000	132,000
Over $1 Billion	207,000	33,000	240,000	240,000	199,300	199,300
All Levels	124,900	32,500	157,400	155,500	126,200	123,800

Percentage bonus eligible executives: 97
Average bonus as a percentage of base salary: 35

† Annual rate as of April 1986 * Insufficient data

Table 129

Top Marketing Executive

SALES VOLUME	1985 BONUS COMPANIES Average Base Salary	Average Bonus	Total Compensation	1985 ALL COMPANIES Total Compensation	1986† SALARIES Bonus Companies	All Companies
Under $100 Million	*	*	*	$102,800	$80,100	$80,500
$100-200	$87,500	$34,700	$122,200	122,200	94,900	94,900
Over $200 Million	103,800	19,500	123,300	123,300	109,900	109,900
All Levels	92,200	24,400	116,600	116,500	95,000	96,600

Percentage bonus-eligible executives: 94
Average bonus as a percentage of base salary: 34

Table 130

Top Sales Executive

Under $100 Million	$63,200	$6,500	$69,700	$69,200	$61,800	$61,200
$100-200	*	*	*	*	*	*
Over $200 Million	99,900	9,700	109,600	109,600	101,900	101,900
All Levels	76,900	9,800	86,700	85,600	81,500	80,500

Percentage bonus-eligible executives: 95
Average bonus as a percentage of base salary: 18

Table 131

Top Manufacturing Executive

Under $100 Million	$69,800	$7,800	$77,600	$77,800	$75,800	$79,400
$100-200	*	*	*	*	*	*
Over $200 Million	122,000	47,900	169,900	169,900	125,800	125,800
All Levels	93,800	27,600	121,400	118,000	102,200	102,700

Percentage bonus-eligible executives: 92
Average bonus as a percentage of base salary: 29

Table 132

Top Human Resources Executive

Under $100 Million	$49,000	$4,600	$53,600	$53,900	$50,600	$51,200
$100-200	*	*	*	*	*	*
$200-500	68,500	8,200	76,700	76,600	71,100	71,100
$500-1 Billion	93,700	43,100	136,800	125,800	96,900	92,500
Over $1 Billion	107,800	20,100	127,900	127,600	119,700	119,700
All Levels	78,000	18,200	96,200	93,700	81,100	79,500

Percentage bonus-eligible executives: 88
Average bonus as a percentage of base salary: 30

† Annual rate as of April 1986 ** Insufficient data*